



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

**Un-audited Financial Statements for the half year
ended September 30, 2016**

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 I**

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2016

(In ₹)

| Particulars | Schedule | As at September 30, 2016 | As at September 30, 2015 |
|--|----------|-----------------------------|-----------------------------|
| | | Amount | Amount |
| Liabilities | | | |
| Unit Capital | 1 | 1,496,314,033 | 281,096,043 |
| Reserves & Surplus | 2 | 945,594,650 | 129,303,563 |
| Current Liabilities and Provisions | 3 | 23,745,335 | 37,030 |
| Total | | 2,465,654,018 | 410,436,636 |
| Assets | | | |
| Investments | 4 | 2,442,820,475 | 410,358,832 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 22,833,543 | 77,804 |
| Total | | 2,465,654,018 | 410,436,636 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 2,441,908,683 | 410,399,606 |
| (b) Number of units outstanding | | 149,631,403 | 28,109,604 |
| (c) NAV per unit (a)/(b) (₹) | | 16.3194 | 14.5999 |
| 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

Amitabh Chaudhry
(Director)Vibha Padalkar
(Director)Sumit Shukla
(Chief Executive Officer)Fagun Pancholi
(Chief Financial Officer)Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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, 2016

(In ₹)

| Particulars | Schedule | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|---|----------|---|---|
| | | Amount | Amount |
| Income | | | |
| Dividend | | 17,464,969 | 2,792,216 |
| Interest | | - | 944 |
| Profit on sale/redemption of investments | | 36,522,560 | 1,121,870 |
| Unrealised gain on appreciation in investments | | 209,616,683 | - |
| Total Income (A) | | 263,604,212 | 3,915,030 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | 20,661,042 |
| Loss on sale/redemption of investments | | 13,838,047 | 1,120,666 |
| Management fees (including service tax) | | 113,714 | 16,573 |
| NPS Trust fees | | 99,000 | - |
| Custodian fees | | 73,535 | 12,141 |
| CRA fees | | 3,929,219 | 1,479,031 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (3,929,219) | (1,479,031) |
| Total Expenses & Losses (B) | | 14,124,296 | 21,810,422 |
| Surplus/(Deficit) for the year (A-B = C) | | 249,479,916 | (17,895,392) |
| Balance at the beginning of the period | | 10,479,828 | 2,744,827 |
| Less: Amount transferred to Unrealised appreciation account | | (209,616,683) | 11,635,875 |
| Less: Amount transferred to General Reserve | | - | - |
| Balance at the end of the period carried to Balance Sheet | | 50,343,061 | (3,514,690) |
| Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis. | | 12.65% | -6.12% |
| Total expenditure expressed as a percentage of average net assets, calculated on a daily basis. | | 0.01% | 0.01% |
| 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

Amitabh Chaudhry
(Director)

Vibha Padalkar
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Initial capital | | |
| Initial capital | | |
| Outstanding at the beginning of the period | 1,034,914,608 | 126,567,747 |
| Add :Units issued during the period | 493,212,149 | 158,252,012 |
| Less: Units redeemed during the period | (31,812,724) | (3,723,716) |
| Outstanding at the end of the period | 1,496,314,033 | 281,096,043 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 103,491,461 | 12,656,775 |
| Add :Units issued during the period | 49,321,214 | 15,825,201 |
| Less: Units redeemed during the period | (3,181,272) | (372,372) |
| Outstanding Units at the end of the period | 149,631,403 | 28,109,604 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Unit premium reserve | | |
| Opening balance | 431,174,730 | 54,403,305 |
| Add: Premium on Units issued | 270,858,479 | 80,340,325 |
| Less: Premium on Units redeemed | (17,812,810) | (1,925,377) |
| Closing balance | 684,220,399 | 132,818,253 |
| General Reserve | | |
| Opening balance | - | - |
| Add: Transfer from Revenue Account | - | - |
| Closing balance | - | - |
| Unrealised Appreciation Reserve | | |
| Opening balance | 1,414,506 | 11,635,875 |
| Change in net unrealised appreciation in value of investments | 209,616,684 | (11,635,875) |
| Closing balance | 211,031,190 | - |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 10,479,828 | 2,744,827 |
| Add: Surplus during the period | 39,863,233 | - |
| Less: Deficit during the period | - | (6,259,517) |
| Closing balance | 50,343,061 | (3,514,690) |
| Total | 945,594,650 | 129,303,563 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 216,600 | 20,136 |
| Redemption Payable | 1,528,405 | 15,510 |
| TDS Payable | 1,992 | 313 |
| Contracts for purchase of investments | 21,988,144 | - |
| Provisions* | 10,194 | 1,071 |
| Total | 23,745,335 | 37,030 |

* The Provision referred above is towards TDS payable on Custodian fees.

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 | As at September 30, 2016 | As at September 30, 2015 |
|-----------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Equity shares | 2,360,651,475 | 404,740,832 |
| Others - Mutual funds | 82,169,000 | 5,618,000 |
| Total | 2,442,820,475 | 410,358,832 |

Schedule 5: Deposits**(In ₹)**

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Deposits with scheduled banks | - | - |
| Total | - | - |

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

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Balances with banks in current account | 290 | 732 |
| Application money pending allotment | 6,500 | - |
| Others - Dividend receivable | 838,609 | 77,072 |
| Sundry Debtors - Margin Money for Investments | 21,988,144 | - |
| Total | 22,833,543 | 77,804 |

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, 2016

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

1.3 Investments

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

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

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

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

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 close price on the stock exchange.

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

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

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS 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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| 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 |
| Mr. Amitabh Chaudhry | Key Management Personnel |
| Ms. Vibha Padalkar | Key Management Personnel |
| 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 year ended September 30, 2016

(In ₹)

| Nature of Transaction | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|----------------------------|---|---|
| | Amount | Amount |
| Investment management fees | 113,714 | 16,573 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | As at September 30, 2016 | As at September 30, 2015 |
|------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Investment management fees payable | 64,794 | 10,910 |

Aggregate investments made in the Associates and group companies as at September 30, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | Equity | 23,231,909 | 27,094,242 | 24,677,630 | 25,048,139 |

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, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | Equity | 78,228,341 | 91,822,126 | 25,090,259 | 27,453,197 |

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 1,974,583,871 | 291,806,169 |
| Purchase of Investment | 8,538,207,541 | 710,400,332 |
| % to average Net Assets Value | 432.00% | 243.00% |
| Sale of Investment | 7,805,253,352 | 486,945,475 |
| % to average Net Assets Value | 395.00% | 167.00% |

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 1,974,583,871 | 291,806,169 |
| Purchase of Investment | 1,154,749,342 | 258,540,733 |
| % to average Net Assets Value | 58.00% | 89.00% |
| Sale of Investment | 449,098,922 | 25,077,143 |
| % to average Net Assets Value | 23.00% | 9.00% |

*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, 2016 | | As at September 30, 2015 | |
|--|--------------------------|------------------------------|--------------------------|------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Monetary intermediation of commercial / saving / postal banks | 592,847,655 | 24.28% | 95,956,962 | 23.38% |
| Computer programming, consultancy and related activities | 267,032,528 | 10.94% | 65,159,926 | 15.88% |
| Manufacture of passenger cars | 150,635,655 | 6.17% | 17,205,186 | 4.19% |
| Manufacture of refined petroleum products | 140,117,812 | 5.74% | 20,251,116 | 4.93% |
| Manufacture of cigarettes, cigarette tobacco | 126,360,240 | 5.17% | 27,212,803 | 6.63% |
| Manufacture of pharmaceuticals, medicinal chemical and botanical products | 979,194,644 | 4.01% | 28,304,886 | 6.90% |
| Activities of specialized institutions granting credit for house purchases | 48,905,162 | 2.00% | 25,048,139 | 6.10% |
| Others (Industries constitute less than 5%) | 936,832,959 | 38.36% | 125,601,814 | 30.60% |
| Mutual Funds | 82,169,000 | 3.36% | 5,618,000 | 1.37% |
| Net Current Assets | -911,792 | -0.04% | 40,774 | 0.01% |
| Net Asset Value | 2,441,908,683 | 100.00% | 410,399,606 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.
2. Previous year figures have been reclassified/regrouped wherever applicable to conform to current years presentation.

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

(In ₹)

| Security Name | Asset Type | Ageing | As at September 30, 2016 | As at September 30, 2015 |
|---|--------------------|------------------|-----------------------------|-----------------------------|
| ICICI Prudential Liquid - Direct Plan - Growth. | Liquid Mutual Fund | Less than 7 Days | 6,500 | NIL |

2.8 Prior Year Comparatives :

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

2.9 Note on status of litigation matters with PFRDA

The wholly-owned subsidiary of HDFC Life, HDFC Pension Management Company Limited, is engaged in the business of management of private sector pension funds under the National Pension System, to which HDFC Life acts as the Sponsor. The Company has been in the business from August 2013. However, In January 2014, a fresh Request for Proposal (RFP) was floated by the PFRDA seeking bids from Sponsors for selection of pension fund managers afresh to manage the pension funds. In response to the RFP, HDFC Life ('the Sponsor') had submitted its technical and commercial bid. The technical bid made under RFP was opened in April 2014 and the bid submitted by the Sponsor was not accepted by the PFRDA on technical grounds of not having profitability for a period of 3 years. The Sponsor, therefore, filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the said rejection. The Hon'ble High Court of Delhi by its Order dated May 15, 2014 quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to evaluate the bid in accordance with the steps set out in the RFP. While the PFRDA cleared the Sponsor's technical and commercial bid and the Sponsor even agreed to match the lowest commercial bid, the PFRDA declined to grant the Sponsor a 'Letter of Appointment'. The Sponsor therefore filed another Writ Petition before the Hon'ble High Court of Delhi against the rejection. Vide its Order dated December 18, 2014 the Hon'ble High Court of Delhi quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to grant HDFC Life a 'Letter of Appointment' to act as a Sponsor. Subsequently, the PFRDA has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the above said Order dated December 18, 2014. The Hon'ble Supreme Court, by its Order dated March 9, 2015, refused to grant the PFRDA any ad-interim relief and the matter is presently pending hearing. On March 27, 2015, complying with the High Court order, the PFRDA had issued a 'Letter of Appointment' in favour of the Sponsor, stating inter alia that such appointment is subject to the outcome of the above proceedings filed before the Hon'ble Supreme Court. The Company has obtained an opinion from its lawyers, as per which the Company stands a fairly good chance of succeeding in the matter. It may be noted that the PFRDA (Pension Fund) Regulations, 2015 were notified in May 2015, pursuant to which re-registration of all pension funds was sought by the PFRDA. HDFC Pension has submitted its application for the same, and a revert from the PFRDA is awaited.

It may be noted that this would not have any impact on the subscriber as the assets and funds of the subscribers of National Pension System are held by NPS Trust, while HDFC Pension acts as a Fund Manager only.

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

3. Portfolio Statement for the Half-year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|----------------------|----------------|-----------------|
| Equity Instruments | | | |
| Shares | | | |
| 1. Infosys Ltd | 147,082,837 | 6.02% | N.A. |
| 2. ITC Ltd | 126,360,240 | 5.17% | N.A. |
| 3. ICICI Bank Ltd | 109,156,238 | 4.47% | N.A. |
| 4. Kotak Mahindra Bank Ltd | 107,812,634 | 4.42% | N.A. |
| 5. Reliance Industries Ltd | 102,345,712 | 4.19% | N.A. |
| 6. Larsen & Toubro Ltd | 99,012,034 | 4.05% | N.A. |
| 7. HDFC Bank Ltd | 91,822,126 | 3.76% | N.A. |
| 8. IndusInd Bank Ltd | 86,391,840 | 3.54% | N.A. |
| 9. Maruti Suzuki India Ltd | 82,148,545 | 3.36% | N.A. |
| 10. Tata Consultancy Services Ltd | 74,717,930 | 3.06% | N.A. |
| 11. Mahindra & Mahindra Ltd | 68,487,110 | 2.80% | N.A. |
| 12. Axis Bank Ltd | 63,144,147 | 2.59% | N.A. |
| 13. UltraTech Cement Ltd | 61,936,776 | 2.54% | N.A. |
| 14. Tata Motors Ltd | 61,236,581 | 2.51% | N.A. |
| 15. State Bank of India | 50,209,046 | 2.06% | N.A. |
| 16. Dr Reddys Laboratories Ltd | 49,277,149 | 2.02% | N.A. |
| 17. Hero Motocorp Ltd | 48,126,343 | 1.97% | N.A. |
| 18. Yes Bank Ltd | 46,228,167 | 1.89% | N.A. |
| 19. Sun Pharmaceuticals Industries Ltd | 37,094,152 | 1.52% | N.A. |
| 20. Hindustan Unilever Ltd | 35,817,037 | 1.47% | N.A. |
| 21. HCL Technologies Ltd | 34,190,126 | 1.40% | N.A. |
| 22. Bajaj Finance Ltd | 32,325,323 | 1.32% | N.A. |
| 23. Zee Entertainment Enterprises Ltd | 31,749,226 | 1.30% | N.A. |
| 24. Power Grid Corporation of India Ltd | 30,665,676 | 1.26% | N.A. |
| 25. Bharati Airtel Ltd | 29,709,424 | 1.22% | N.A. |
| 26. Housing Development Finance Corporation Ltd | 27,094,242 | 1.11% | N.A. |
| 27. Bank of Baroda | 25,406,633 | 1.04% | N.A. |
| 28. Divis Laboratories Ltd | 25,383,582 | 1.04% | N.A. |
| 29. Tata Steel Ltd | 25,142,489 | 1.03% | N.A. |
| 30. Oil & Natural Gas Corporation Ltd | 24,969,222 | 1.02% | N.A. |
| 31. Dabur India Ltd | 24,862,531 | 1.02% | N.A. |
| 32. Cipla Ltd | 24,722,311 | 1.01% | N.A. |
| 33. Tata Motors Limited DVR | 24,592,953 | 1.01% | N.A. |
| 34. National Thermal Power Corporation Ltd | 23,852,272 | 0.98% | N.A. |
| 35. Exide Industries Ltd | 23,755,230 | 0.97% | N.A. |
| 36. Ambuja Cements Ltd | 23,235,770 | 0.95% | N.A. |
| 37. LIC Housing Finance Ltd | 21,810,920 | 0.89% | N.A. |
| 38. Bharat Petroleum Corporation Ltd | 19,550,516 | 0.80% | N.A. |
| 39. Hindustan Petroleum Corporation Ltd | 19,170,171 | 0.79% | N.A. |
| 40. Wipro Ltd | 18,875,420 | 0.77% | N.A. |
| 41. Coal India Ltd | 17,999,810 | 0.74% | N.A. |
| 42. UPL Ltd | 14,769,444 | 0.60% | N.A. |
| 43. Eicher Motors Ltd | 13,779,429 | 0.56% | N.A. |
| 44. Indian Oil Corporation Ltd | 13,667,198 | 0.56% | N.A. |
| 45. Britannia Industries Ltd | 12,951,400 | 0.53% | N.A. |
| 46. Hindalco Industries Ltd | 12,913,381 | 0.53% | N.A. |
| 47. Federal Bank Ltd | 12,676,824 | 0.52% | N.A. |
| 48. Bharti Infratel Ltd | 12,608,695 | 0.52% | N.A. |
| 49. Shriram Transport Finance Co. Ltd | 12,593,825 | 0.52% | N.A. |
| 50. Hindustan Zinc Ltd | 12,559,130 | 0.51% | N.A. |
| 51. Oil India Ltd | 12,344,685 | 0.51% | N.A. |
| 52. Oracle Financial Services Software Ltd | 12,230,526 | 0.50% | N.A. |
| 53. Adani Ports And Special Economic Zone Ltd | 12,140,681 | 0.50% | N.A. |
| 54. Bharat Electronics Ltd | 12,056,649 | 0.49% | N.A. |
| 55. Siemens Ltd | 11,985,019 | 0.49% | N.A. |
| 56. Gas Authority of India Ltd | 11,563,572 | 0.47% | N.A. |
| 57. Lupin Ltd. | 11,548,163 | 0.47% | N.A. |
| 58. Godrej Consumer Products Ltd | 11,503,213 | 0.47% | N.A. |
| 59. Asian Paints (India) Ltd | 11,458,430 | 0.47% | N.A. |
| 60. Ashok Leyland Ltd | 11,147,025 | 0.46% | N.A. |
| 61. Tech Mahindra Ltd | 11,041,635 | 0.45% | N.A. |
| 62. United Spirits Limited | 10,341,825 | 0.42% | N.A. |
| 63. Cummins India Ltd | 7,394,313 | 0.30% | N.A. |
| 64. Vedanta Ltd | 7,184,464 | 0.29% | N.A. |
| 65. Cairn India Ltd | 5,501,375 | 0.23% | N.A. |
| 66. Castrol India Ltd | 4,934,731 | 0.20% | N.A. |
| 67. Rural Electrification Corporation Ltd | 285,352 | 0.01% | N.A. |
| Equity Instruments Total | 2,360,651,475 | 96.67% | |

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

3. Portfolio Statement for the Half-year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|----------------------|----------------|-----------------|
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. ICICI Prudential Liquid - Direct Plan - Growth | 82,169,000 | 3.36% | AAA |
| Money Market Instruments Total | 82,169,000 | 3.36% | |
| Cash/Cash Equivalent & Net Current Assets | (911,792) | -0.04% | |
| Grand Total | 2,441,908,683 | 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 | 2,360,651,475 | 96.67% | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 82,169,000 | 3.36% | |
| Cash / cash equivalent net current assets | (911,792) | -0.04% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 2,441,908,683 | 100.00% | |
| Units Outstanding | 149,631,403 | | |
| NAV | 16.3194 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2016 | | 14.2812 | |
| d. NAV at September 30,2016 | | 16.3194 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2016 | | - | |
| f. Total 'Infrastructure investments' September 30, 2016 | | - | |

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

| Sr No | Particulars | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------|---|---|---|
| 1 | NAV per unit (₹) I Open High Low End | 14.2812 16.9469 13.9545 16.3194 | 15.4345 16.0622 13.8940 14.5999 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 24,419.09 19,745.84 | 4104.00 2918.06 |
| 3 | Gross income as % of AAuM III | 13.35% | 1.34% |
| 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 | 12.63% | -6.13% |
| 6 | Portfolio turnover ratio VII | 22.74% | 8.59% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year Benchmark IX | 11.78% 9.62% | 1.24% 0.87% |
| b | Since inception Benchmark IX | 63.19% 57.98% | 46.00% 42.19% |
| c | Compound annualised yield (%) VIII Last 1 year Last 2 year Last 3 year Since launch of the scheme | 11.78% 6.38% 16.76% 16.72% | 1.24% 19.34% N.A. 19.11% |
| | 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 = Income includes Interest, Dividend, Realised/Unrealised Gain | | |
| 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 = Total income less Total expenses and losses | | |
| 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) | | |
| IX | 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 for both Tier I and Tier II. Due to this change the benchmark of the schemes has been changed from CNX Nifty 50 to CNX Nifty 100 effective from October 01, 2015. The benchmark return mentioned above represents the return of existing scheme benchmark, which is CNX Nifty 100. | | |



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

**Un-audited Financial Statements for the half year
ended September 30, 2016**

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, 2016

(In ₹)

| Particulars | Schedule | As at September 30, 2016 | As at September 30, 2015 |
|--|----------|-----------------------------|-----------------------------|
| | | Amount | Amount |
| Liabilities | | | |
| Unit Capital | 1 | 45,767,322 | 11,478,104 |
| Reserves & Surplus | 2 | 18,782,264 | 2,934,661 |
| Current Liabilities and Provisions | 3 | 84,595 | 834 |
| Total | | 64,634,181 | 14,413,599 |
| Assets | | | |
| Investments | 4 | 64,612,044 | 14,410,682 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 22,137 | 2,917 |
| Total | | 64,634,181 | 14,413,599 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6-3) | | 64,549,586 | 14,412,765 |
| (b) Number of units outstanding | | 4,576,732 | 1,147,810 |
| (c) NAV per unit (a)/(b) (₹) | | 14.1038 | 12.5567 |
| 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

Amitabh Chaudhry
(Director)Vibha Padalkar
(Director)Sumit Shukla
(Chief Executive Officer)Fagun Pancholi
(Chief Financial Officer)Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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, 2016

(In ₹)

| Particulars | Schedule | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|---|----------|---|---|
| | | Amount | Amount |
| Income | | | |
| Dividend | | 415,230 | 100,994 |
| Interest | | - | 24 |
| Profit on sale/redemption of investments | | 698,789 | 25,198 |
| Unrealised gain on appreciation in investments | | 5,003,184 | 316 |
| Total Income (A) | | 6,117,203 | 126,532 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | 709,290 |
| Loss on sale/redemption of investments | | 250,949 | 1,544 |
| Management fees (including service tax) | | 2,684 | 588 |
| NPS Trust fees | | 2,336 | - |
| Custodian fees | | 1,721 | 417 |
| CRA fees | | 15,971 | 4,734 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (15,971) | (4,734) |
| Total Expenses & Losses (B) | | 257,690 | 711,839 |
| Surplus/(Deficit) for the year (A-B = C) | | 5,859,513 | (585,307) |
| Balance at the beginning of the period | | (256,372) | 48,868 |
| Less: Amount transferred to Unrealised appreciation account | | (4,436,488) | 217,532 |
| Less: Amount transferred to General Reserve | | - | - |
| Balance at the end of the period carried to Balance Sheet | | 1,166,653 | (318,907) |
| Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis. | | 12.59% | -5.64% |
| Total expenditure expressed as a percentage of average net assets, calculated on a daily basis. | | 0.01% | 0.01% |
| 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

Amitabh Chaudhry
(Director)

Vibha Padalkar
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Initial capital | | |
| Unit capital | | |
| Outstanding units at the beginning of the period | 26,085,973 | 4,068,912 |
| Add :Units issued during the period | 21,874,011 | 7,692,984 |
| Less: Units redeemed during the period | (2,192,662) | (283,792) |
| Outstanding at the end of the period | 45,767,322 | 11,478,104 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 2,608,597 | 406,891 |
| Add :Units issued during the period | 2,187,401 | 769,298 |
| Less: Units redeemed during the period | (219,266) | (28,379) |
| Outstanding Units at the end of the period | 4,576,732 | 1,147,810 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Unit premium reserve | | |
| Opening balance | 6,256,944 | 1,055,959 |
| Add: Premium on Units issued | 7,673,511 | 2,286,084 |
| Less: Premium on Units redeemed | (751,332) | (88,791) |
| Closing balance | 13,179,123 | 3,253,252 |
| General Reserve | | |
| Opening balance | - | - |
| Add: Transfer from Revenue Account | - | - |
| Closing balance | - | - |
| Unrealised Appreciation Reserve | | |
| Opening balance | - | 217,848 |
| Change in net unrealised appreciation in value of investments | 4,436,488 | (217,532) |
| Closing balance | 4,436,488 | 316 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | (256,372) | 48,868 |
| Add: Surplus during the period | 1,423,025 | - |
| Less: Deficit during the period | - | (367,775) |
| Closing balance | 1,166,653 | (318,907) |
| Total | 18,782,264 | 2,934,661 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Current liabilities & Provision | | |
| Sundry creditors for expenses | 5,388 | 707 |
| Redemption Payable | 78,891 | 77 |
| TDS Payable | 52 | 12 |
| Provisions* | 264 | 38 |
| Total | 84,595 | 834 |

* The Provision referred above is towards TDS payable on Custodian fees.

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 | As at September 30, 2016 | As at September 30, 2015 |
|-----------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Equity shares | 61,739,544 | 13,726,566 |
| Others - Mutual funds | 2,872,500 | 684,116 |
| Total | 64,612,044 | 14,410,682 |

Schedule 5: Deposits**(In ₹)**

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Deposits with scheduled banks | - | - |
| Total | - | - |

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

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Balances with banks in current account | 1,173 | 246 |
| Others - Dividend receivable | 20,964 | 2,671 |
| Total | 22,137 | 2,917 |

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, 2016

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

1.3 Investments

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

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

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

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

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 close price on the stock exchange.

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

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 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

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS 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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| 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 |
| Mr. Amitabh Chaudhry | Key Management Personnel |
| Ms. Vibha Padalkar | Key Management Personnel |
| 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 year ended September 30, 2016

(In ₹)

| Nature of Transaction | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|----------------------------|---|---|
| | Amount | Amount |
| Investment management fees | 2,684 | 588 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | As at September 30, 2016 | As at September 30, 2015 |
|------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Investment management fees payable | 1,590 | 382 |

Aggregate investments made in the Associates and group companies as at September 30, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| HDFC Ltd | Equity | 858,402 | 989,350 | 858,402 | 861,053 |

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, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| HDFC Bank Ltd | Equity | 1,879,241 | 2,142,207 | 877,134 | 933,062 |

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 46,598,523 | 10,352,477 |
| Purchase of Investment | 180,463,329 | 23,855,834 |
| % to average Net Assets Value | 387.00% | 230.00% |
| Sale of Investment | 153,427,313 | 14,124,804 |
| % to average Net Assets Value | 329.00% | 136.00% |

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 46,598,523 | 10,352,477 |
| Purchase of Investment | 33,810,029 | 9,380,735 |
| % to average Net Assets Value | 73.00% | 91.00% |
| Sale of Investment | 9,056,872 | 98,582 |
| % to average Net Assets Value | 19.00% | 1.00% |

*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, 2016 | | As at September 30, 2015 | |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Monetary intermediation of commercial / saving / postal banks | 15,168,180 | 23.50% | 3,247,535 | 22.53% |
| Computer programming, consultancy and related activities | 7,140,886 | 11.06% | 2,229,557 | 15.47% |
| Manufacture of passenger cars | 3,994,482 | 6.19% | 590,183 | 4.09% |
| Manufacture of refined petroleum products | 3,591,088 | 5.56% | 703,637 | 4.88% |
| Manufacture of cigarettes, cigarette tobacco | 3,357,902 | 5.20% | 909,461 | 6.31% |
| Manufacture of pharmaceuticals, medicinal chemical and botanical products | 2,464,594 | 3.82% | 964,229 | 6.69% |
| Activities of specialized institutions granting credit for house purchases | 1,770,151 | 2.74% | 861,053 | 5.97% |
| Others (Industries constitute less than 5%) | 24,252,261 | 37.57% | 4,220,911 | 29.29% |
| Mutual Funds | 2,872,500 | 4.45% | 684,116 | 4.75% |
| Net Current Assets | (62,458) | -0.10% | 2,083 | 0.01% |
| Net Asset Value | 64,549,586 | 100.00% | 14,412,765 | 100.00% |

Note :

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

2. Previous year figures have been reclassified/regrouped wherever applicable to conform to current years presentation.

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

(In ₹)

| Security Name | Asset Type | Ageing | As at September 30, 2016 | As at September 30, 2015 |
|---------------|--------------------|------------------|-----------------------------|-----------------------------|
| | Liquid Mutual Fund | Less than 7 days | NIL | NIL |

2.8 Prior Year Comparatives :

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

2.9 Note on status of litigation matters with PFRDA

The wholly-owned subsidiary of HDFC Life, HDFC Pension Management Company Limited, is engaged in the business of management of private sector pension funds under the National Pension System, to which HDFC Life acts as the Sponsor. The Company has been in the business from August 2013. However, in January 2014, a fresh Request for Proposal ('RFP') was floated by the PFRDA seeking bids from Sponsors for selection of pension fund managers afresh to manage the pension funds. In response to the RFP, HDFC Life (the Sponsor) had submitted its technical and commercial bid. The technical bid made under RFP was opened in April 2014 and the bid submitted by the Sponsor was not accepted by the PFRDA on technical grounds of not having profitability for a period of 3 years. The Sponsor, therefore, filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the said rejection. The Hon'ble High Court of Delhi by its Order dated May 15, 2014 quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to evaluate the bid in accordance with the steps set out in the RFP. While the PFRDA cleared the Sponsor's technical and commercial bid and the Sponsor even agreed to match the lowest commercial bid, the PFRDA declined to grant the Sponsor a 'Letter of Appointment'. The Sponsor therefore filed another Writ Petition before the Hon'ble High Court of Delhi against the rejection. Vide its Order dated December 18, 2014 the Hon'ble High Court of Delhi quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to grant HDFC Life a 'Letter of Appointment' to act as a Sponsor. Subsequently, the PFRDA has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the above said Order dated December 18, 2014. The Hon'ble Supreme Court, by its Order dated March 9, 2015, refused to grant the PFRDA any ad-interim relief and the matter is presently pending hearing. On March 27, 2015, complying with the High Court order, the PFRDA had issued a 'Letter of Appointment' in favour of the Sponsor, stating inter alia that such appointment is subject to the outcome of the above proceedings filed before the Hon'ble Supreme Court. The Company has obtained an opinion from its lawyers, as per which the Company stands a fairly good chance of succeeding in the matter.

It may be noted that the PFRDA (Pension Fund) Regulations, 2015 were notified in May 2015, pursuant to which re-registration of all pension funds was sought by the PFRDA. HDFC Pension has submitted its application for the same, and a revert from the PFRDA is awaited. Further, it may also be noted that the PFRDA has issued a fresh RFP on September 17, 2016 and HDFC Life is in the process of apply for being appointed as a Sponsor under the same.

It may be noted that this would not have any impact on the subscriber as the assets and funds of the subscribers of National Pension System are held by NPS Trust, while HDFC Pension acts as a Fund Manager only.

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|-------------------|----------------|-----------------|
| Equity Instruments | | | |
| Shares | | | |
| 1. Infosys Ltd | 3,950,458 | 6.12% | N.A. |
| 2. ITC Ltd | 3,357,902 | 5.20% | N.A. |
| 3. Kotak Mahindra Bank Ltd | 2,899,763 | 4.49% | N.A. |
| 4. ICICI Bank Ltd | 2,872,744 | 4.45% | N.A. |
| 5. Reliance Industries Ltd | 2,636,641 | 4.08% | N.A. |
| 6. Larsen & Toubro Ltd | 2,608,333 | 4.04% | N.A. |
| 7. IndusInd Bank Ltd | 2,275,893 | 3.53% | N.A. |
| 8. HDFC Bank Ltd | 2,142,207 | 3.32% | N.A. |
| 9. Maruti Suzuki India Ltd | 2,136,147 | 3.31% | N.A. |
| 10. Tata Consultancy Services Ltd | 1,973,810 | 3.06% | N.A. |
| 11. Mahindra & Mahindra Ltd | 1,858,335 | 2.88% | N.A. |
| 12. Axis Bank Ltd | 1,671,147 | 2.59% | N.A. |
| 13. Tata Motors Ltd | 1,626,479 | 2.52% | N.A. |
| 14. UltraTech Cement Ltd | 1,594,542 | 2.47% | N.A. |
| 15. State Bank of India | 1,272,833 | 1.97% | N.A. |
| 16. Hero Motocorp Ltd | 1,269,896 | 1.97% | N.A. |
| 17. Dr Reddys Laboratories Ltd | 1,236,745 | 1.92% | N.A. |
| 18. Yes Bank Ltd | 1,096,608 | 1.70% | N.A. |
| 19. Housing Development Finance Corporation Ltd. | 989,350 | 1.53% | N.A. |
| 20. Sun Pharmaceuticals Industries Ltd. | 939,516 | 1.46% | N.A. |
| 21. Hindustan Unilever Ltd | 933,807 | 1.45% | N.A. |
| 22. HCL Technologies Ltd | 913,486 | 1.42% | N.A. |
| 23. Bajaj Finance Ltd | 848,944 | 1.32% | N.A. |
| 24. Zee Entertainment Enterprises Ltd | 837,074 | 1.30% | N.A. |
| 25. Bharati Airtel Ltd | 793,164 | 1.23% | N.A. |
| 26. LIC Housing Finance Ltd | 780,801 | 1.21% | N.A. |
| 27. Power Grid Corporation of India Ltd | 776,114 | 1.20% | N.A. |
| 28. Bank of Baroda | 662,737 | 1.03% | N.A. |
| 29. Tata Steel Ltd | 656,435 | 1.02% | N.A. |
| 30. Oil & Natural Gas Corporation Ltd | 641,882 | 0.99% | N.A. |
| 31. Exide Industries Ltd | 636,474 | 0.99% | N.A. |
| 32. Tata Motors Limited DVR | 631,287 | 0.98% | N.A. |
| 33. Dabur India Ltd | 628,099 | 0.97% | N.A. |
| 34. Divis Laboratories Ltd | 623,456 | 0.97% | N.A. |
| 35. Cipla Ltd | 609,053 | 0.94% | N.A. |
| 36. Ambuja Cements Ltd | 600,676 | 0.93% | N.A. |
| 37. National Thermal Power Corporation Ltd | 598,808 | 0.93% | N.A. |
| 38. Wipro Ltd | 526,845 | 0.82% | N.A. |
| 39. Hindustan Petroleum Corporation Ltd | 505,772 | 0.78% | N.A. |
| 40. Bharat Petroleum Corporation Ltd | 504,170 | 0.78% | N.A. |
| 41. Coal India Ltd | 474,103 | 0.73% | N.A. |
| 42. UPL Ltd | 380,725 | 0.59% | N.A. |
| 43. Shriram Transport Finance Co. Ltd | 331,355 | 0.51% | N.A. |
| 44. Indian Oil Corporation Ltd | 323,288 | 0.50% | N.A. |
| 45. Eicher Motors Ltd | 322,761 | 0.50% | N.A. |
| 46. Oracle Financial Services Software Ltd | 322,280 | 0.50% | N.A. |
| 47. Bharat Electronics Ltd | 319,901 | 0.50% | N.A. |
| 48. Hindustan Zinc Ltd | 318,289 | 0.49% | N.A. |
| 49. Gas Authority of India Ltd | 313,207 | 0.49% | N.A. |
| 50. Oil India Ltd | 309,277 | 0.48% | N.A. |
| 51. Hindalco Industries Ltd | 305,553 | 0.47% | N.A. |
| 52. Asian Paints (India) Ltd | 304,103 | 0.47% | N.A. |
| 53. Tech Mahindra Ltd | 303,132 | 0.47% | N.A. |
| 54. Bharti Infratel Ltd | 300,277 | 0.47% | N.A. |
| 55. Godrej Consumer Products Ltd | 299,877 | 0.46% | N.A. |
| 56. Britannia Industries Ltd | 296,032 | 0.46% | N.A. |
| 57. Lupin Ltd. | 288,333 | 0.45% | N.A. |
| 58. Adani Ports And Special Economic Zone Ltd | 287,047 | 0.44% | N.A. |
| 59. Siemens Ltd | 282,788 | 0.44% | N.A. |
| 60. Ashok Leyland Ltd | 282,262 | 0.44% | N.A. |
| 61. United Spirits Limited | 276,242 | 0.43% | N.A. |
| 62. Federal Bank Ltd | 274,248 | 0.42% | N.A. |
| 63. Vedanta Ltd | 270,291 | 0.42% | N.A. |
| 64. Cummins India Ltd | 184,722 | 0.29% | N.A. |
| 65. Cairn India Ltd | 125,631 | 0.19% | N.A. |
| 66. Castrol India Ltd | 125,387 | 0.19% | N.A. |
| Equity Instruments Total | 61,739,544 | 95.65% | |

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|-------------------|----------------|-----------------|
| <u>Money Market Instruments</u> | | | |
| Liquid Mutual Funds | | | |
| 1. ICICI Prudential Liquid - Direct Plan - Growth | 2,872,500 | 4.45% | AAA |
| Money Market Instruments Total | 2,872,500 | 4.45% | |
| Cash/Cash Equivalent & Net Current Assets | (62,458) | -0.10% | |
| Grand Total | 64,549,586 | 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. | | |
| <u>Credit Rating Exposure</u> | | | |
| 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 | - | 0.00% | |
| Bank FD | - | - | |
| Equity | 61,739,544 | 95.65% | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 2,872,500 | 4.45% | |
| Cash / cash equivalent net current assets | (62,458) | -0.10% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 64,549,586 | 100.00% | |
| Units Outstanding | 4,576,732 | | |
| NAV | 14.1038 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2016 | | 12.3003 | |
| d. NAV at September 30,2016 | | 14.1038 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2016 | | - | |
| f. Total 'Infrastructure investments' September 30, 2016 | | - | |

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

| Sr No | Particulars | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------|--|---|---|
| 1 | NAV per unit (₹) I Open High Low End | 12.3003 14.6401 12.0125 14.1038 | 13.2506 13.7615 11.9770 12.5567 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 645.50 465.99 | 144.13 103.52 |
| 3 | Gross income as % of AAuM III | 13.13% | 1.22% |
| 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 | 12.57% | -5.65% |
| 6 | Portfolio turnover ratio VII | 19.44% | 0.95% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) VIII | | |
| a | Last one year Benchmark X | 12.32% 9.62% | 1.46% 0.87% |
| b | Since inception Benchmark X | 41.04% 57.98% | 25.57% 42.19% |
| c | Compound annualised yield (%) IX Last 1 year Last 2 year Last 3 year Since launch of the scheme | 12.32% 6.75% 11.53% 11.47% | 1.46% 11.14% N.A. 11.09% |
| | 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 = Income includes Interest, Dividend, Realised/Unrealised Gain | | |
| 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 = Total income less Total expenses and losses | | |
| 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 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. | | |
| IX | Compounded annualised yield is to be calculated based on following formula: $= (1 + \text{cumulative return})^n - 1$ (where n=365/no. of days) | | |
| X | 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 for both Tier I and Tier II. Due to this change the benchmark of the schemes has been changed from Nifty 50 to Nifty 100 effective from October 01, 2015. The benchmark return mentioned above represents the return of existing scheme benchmark, which is Nifty 100. | | |



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

**Un-audited Financial Statements for the half year
ended September 30, 2016**

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, 2016

(In ₹)

| Particulars | Schedule | As at September 30, 2016 | As at September 30, 2015 |
|--|----------|-----------------------------|-----------------------------|
| | | Amount | Amount |
| Liabilities | | | |
| Unit Capital | 1 | 1,098,772,559 | 241,394,981 |
| Reserves & Surplus | 2 | 503,678,350 | 71,578,575 |
| Current Liabilities and Provisions | 3 | 881,630 | 3,248,939 |
| Total | | 1,603,332,539 | 316,222,495 |
| Assets | | | |
| Investments | 4 | 1,543,602,003 | 305,218,769 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 59,730,536 | 11,003,726 |
| Total | | 1,603,332,539 | 316,222,495 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 1,602,450,909 | 312,973,556 |
| (b) Number of units outstanding | | 109,877,256 | 24,139,498 |
| (c) NAV per unit (a)/(b) (₹) | | 14.5840 | 12.9652 |
| 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

Amitabh Chaudhry
(Director)**Vibha Padalkar**
(Director)**Sumit Shukla**
(Chief Executive Officer)**Fagun Pancholi**
(Chief Financial Officer)**Nagesh Pai**
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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, 2016

(In ₹)

| Particulars | Schedule | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|---|----------|---|---|
| | | Amount | Amount |
| Income | | | |
| Interest | | 53,312,229 | 9,289,848 |
| Profit on sale/redemption of investments | | 1,439,416 | 156,127 |
| Unrealised gain on appreciation in investments | | 50,507,977 | 2,838,578 |
| Total Income (A) | | 105,259,622 | 12,284,553 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | - |
| Management fees (including service tax) | | 74,507 | 12,426 |
| NPS Trust fees | | 64,870 | - |
| Custodian fees | | 46,729 | 8,555 |
| CRA fees | | 2,450,776 | 965,236 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (2,450,776) | (965,236) |
| Total Expenses & Losses (B) | | 186,106 | 20,981 |
| Surplus/(Deficit) for the year (A-B = C) | | 105,073,516 | 12,263,572 |
| Balance at the beginning of the period | | 38,222,390 | 5,910,235 |
| Less: Amount transferred to Unrealised appreciation account | | (50,507,977) | (2,838,578) |
| Less: Amount transferred to General Reserve | | - | - |
| Balance at the end of the period carried to Balance Sheet | | 92,787,929 | 15,335,229 |
| Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis. | | 8.14% | 5.61% |
| Total expenditure expressed as a percentage of average net assets, calculated on a daily basis. | | 0.01% | 0.01% |
| 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

Amitabh Chaudhry
(Director)

Vibha Padalkar
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Initial capital | | |
| <u>Initial capital</u> | | |
| Outstanding at the beginning of the period | 752,163,302 | 119,154,538 |
| Add :Units issued during the period | 365,324,176 | 126,462,160 |
| Less: Units redeemed during the period | (18,714,919) | (4,221,717) |
| Outstanding at the end of the period | 1,098,772,559 | 241,394,981 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 75,216,330 | 11,915,454 |
| Add :Units issued during the period | 36,532,418 | 12,646,216 |
| Less: Units redeemed during the period | (1,871,492) | (422,172) |
| Outstanding Units at the end of the period | 109,877,256 | 24,139,498 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Unit premium reserve | | |
| Opening balance | 214,545,981 | 18,708,382 |
| Add: Premium on Units issued | 145,636,538 | 32,660,114 |
| Less: Premium on Units redeemed | (7,381,868) | (1,070,343) |
| Closing balance | 352,800,651 | 50,298,153 |
| General Reserve | | |
| Opening balance | - | - |
| Add: Transfer from Revenue Account | - | - |
| Closing balance | - | - |
| Unrealised Appreciation Reserve | | |
| Opening balance | 7,581,793 | 3,106,615 |
| Add: Transfer from Revenue Account | 50,507,977 | 2,838,578 |
| Closing balance | 58,089,770 | 5,945,193 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 38,222,390 | 5,910,235 |
| Add: Surplus during the period | 54,565,539 | 9,424,994 |
| Less: Deficit during the period | - | - |
| Closing balance | 92,787,929 | 15,335,229 |
| Total | 503,678,350 | 71,578,575 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|--------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Current liabilities | | |
| Sundry creditors for expenses | 140,750 | 14,792 |
| Redemption Payable | 732,900 | 95,754 |
| TDS Payable | 1,273 | 242 |
| Contract for Purchase of Investments | - | 3,137,403 |
| Provisions* | 6,707 | 748 |
| Total | 881,630 | 3,248,939 |

* The Provision referred above is towards TDS payable on Custodian fees.

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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Debentures and Bonds Listed/Awaiting Listing | 1,526,848,504 | 301,546,769 |
| Others - Mutual funds | 16,753,499 | 3,672,000 |
| Total | 1,543,602,003 | 305,218,769 |

Schedule 5: Deposits**(In ₹)**

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Deposits with scheduled banks | - | - |
| Total | - | - |

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

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Balances with banks in current account | 540 | 716 |
| Outstanding and accrued income | 59,729,996 | 11,003,010 |
| Application money pending allotment | - | - |
| Total | 59,730,536 | 11,003,726 |

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, 2016

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

1.3 Investments

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

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

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

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

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.

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.

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.

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/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

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS 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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| 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 |
| Mr. Amitabh Chaudhry | Key Management Personnel |
| Ms. Vibha Padalkar | Key Management Personnel |
| 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 year ended September 30, 2016

(In ₹)

| Nature of Transaction | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|----------------------------|---|---|
| | Amount | Amount |
| Investment management fees | 74,507 | 12,426 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | As at September 30, 2016 | As at September 30, 2015 |
|------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Investment management fees payable | 41,843 | 8,168 |

Aggregate investments made in the Associates and group companies as at September 30, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| | | 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, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| | | 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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 1,293,848,540 | 218,787,733 |
| Purchase of Investment | 3,376,223,161 | 639,377,956 |
| % to average Net Assets Value | 261.00% | 292.00% |
| Sale of Investment | 2,840,662,486 | 472,479,627 |
| % to average Net Assets Value | 220.00% | 216.00% |

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 1,293,848,540 | 218,787,733 |
| Purchase of Investment | 549,141,073 | 167,522,968 |
| % to average Net Assets Value | 42.00% | 77.00% |
| Sale of Investment | 23,749,961 | - |
| % to average Net Assets Value | 2.00% | 0.00% |

*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, 2016 | | As at September 30, 2015 | |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Other credit granting | 549,993,136 | 34.32% | 113,564,485 | 36.29% |
| Monetary intermediation of commercial / saving / postal banks | 213,096,326 | 13.30% | 16,154,225 | 5.16% |
| Trusts, Funds and Other Financial Vehicles | 145,597,525 | 9.09% | 17,088,000 | 5.46% |
| Activities of specialized institutions granting credit for house purchases | 136,629,695 | 8.53% | 25,857,029 | 8.26% |
| Service activities incidental to water transportation | 130,177,918 | 8.12% | 17,552,528 | 5.61% |
| Electric Power Generation, Transmission and Distribution | 96,843,362 | 6.04% | 14,407,573 | 4.60% |
| Transmission of Electric Energy | 93,288,469 | 5.82% | 28,699,892 | 9.17% |
| Activities of holding companies | 17,761,920 | 1.11% | 26,003,871 | 8.31% |
| Manufacture of pesticides and other agrochemical products | 17,002,871 | 1.06% | 16,930,343 | 5.41% |
| Others (Industries constitute less than 5%) | 126,457,282 | 7.89% | 25,288,823 | 8.08% |
| Mutual Funds | 16,753,499 | 1.05% | 3,672,000 | 1.17% |
| Net Current Assets | 58,848,906 | 3.67% | 7,754,787 | 2.48% |
| Net Asset Value | 1,602,450,909 | 100.00% | 312,973,556 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.
2. Previous year figures have been reclassified/regrouped wherever applicable to conform to current years presentation.

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

(In ₹)

| Security Name | Asset Type | Ageing | As at September 30, 2016 | As at September 30, 2015 |
|---------------|--------------------|------------------|-----------------------------|-----------------------------|
| | Liquid Mutual Fund | Less than 7 Days | NIL | NIL |

2.8 Prior Year Comparatives :

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

2.9 Note on status of litigation matters with PFRDA

The wholly-owned subsidiary of HDFC Life, HDFC Pension Management Company Limited, is engaged in the business of management of private sector pension funds under the National Pension System, to which HDFC Life acts as the Sponsor. The Company has been in the business from August 2013. However, In January 2014, a fresh Request for Proposal ('RFP') was floated by the PFRDA seeking bids from Sponsors for selection of pension fund managers afresh to manage the pension funds. In response to the RFP, HDFC Life ('the Sponsor') had submitted its technical and commercial bid. The technical bid made under RFP was opened in April 2014 and the bid submitted by the Sponsor was not accepted by the PFRDA on technical grounds of not having profitability for a period of 3 years. The Sponsor, therefore, filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the said rejection. The Hon'ble High Court of Delhi by its Order dated May 15, 2014 quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to evaluate the bid in accordance with the steps set out in the RFP. While the PFRDA cleared the Sponsor's technical and commercial bid and the Sponsor even agreed to match the lowest commercial bid, the PFRDA declined to grant the Sponsor a 'Letter of Appointment'. The Sponsor therefore filed another Writ Petition before the Hon'ble High Court of Delhi against the rejection. Vide its Order dated December 18, 2014 the Hon'ble High Court of Delhi quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to grant HDFC Life a 'Letter of Appointment' to act as a Sponsor. Subsequently, the PFRDA has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the above said Order dated December 18, 2014. The Hon'ble Supreme Court, by its Order dated March 9, 2015, refused to grant the PFRDA any ad-interim relief and the matter is presently pending hearing. On March 27, 2015, complying with the High Court order, the PFRDA had issued a 'Letter of Appointment' in favour of the Sponsor, stating inter alia that such appointment is subject to the outcome of the above proceedings filed before the Hon'ble Supreme Court. The Company has obtained an opinion from its lawyers, as per which the Company stands a fairly good chance of succeeding in the matter. It may be noted that the PFRDA (Pension Fund) Regulations, 2015 were notified in May 2015, pursuant to which re-registration of all pension funds was sought by the PFRDA. HDFC Pension has submitted its application for the same, and a revert from the PFRDA is awaited.

It may be noted that this would not have any impact on the subscriber as the assets and funds of the subscribers of National Pension System are held by NPS Trust, while HDFC Pension acts as a Fund Manager only.

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

3. Portfolio Statement for the half year ended September 30, 2016

(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 07-03-2022. | 56,497,605 | 3.53% | AAA |
| 2. 8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A) | 30,995,357 | 1.93% | AAA |
| 3. 8.49% NTPC NCD Mat 25-Mar-2025 | 29,624,333 | 1.85% | AAA |
| 4. 8.14% Nuclear Power Corp. Mat 25-03-2026(Tranche A) | 27,384,565 | 1.71% | AAA |
| 5. 9.30% Power Grid NCD Mat 28-June-2026 | 22,435,834 | 1.40% | AAA |
| 6. 8.40% Power Grid NCD Mat 27-May-2029 | 19,305,093 | 1.20% | AAA |
| 7. 8.65% Power Finance Corporation Ltd.Mat-28-DEC-2024 | 19,234,429 | 1.20% | AAA |
| 8. 8.10% EXIM Bank NCD Mat-19-Nov-2025 | 18,701,137 | 1.17% | AAA |
| 9. 8.50% EXIM Bank Mat-08-07-2023 | 17,874,782 | 1.12% | AAA |
| 10. 10.70%IRFC NCD Mat 11-Sep-2023 | 17,693,218 | 1.10% | AAA |
| 11. 8.80% Food Corporation of India Ltd Mat 22-03-2028. | 17,570,125 | 1.10% | AAA |
| 12. 8.38% Power Finance Corporation Ltd.Mat-27-April-2020 | 17,533,738 | 1.09% | AAA |
| 13. 9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024 | 16,601,182 | 1.04% | AAA |
| 14. 8.70% Power Grid NCD Mat 15-JULY-2028 | 16,387,090 | 1.02% | AAA |
| 15. 8.57% Rural Electrification Corp Ltd Mat 21-Dec-2024 | 15,959,253 | 1.00% | AAA |
| 16. 9.39% Power Finance Corporation Ltd.Mat-27-Aug-2024 | 15,536,784 | 0.97% | AAA |
| 17. 8.70% Power Finance Corporation Ltd.Mat-14-05-2025 | 15,032,954 | 0.94% | AAA |
| 18. 8.83% IRFC NCD Mat 14-May-2031 | 14,640,578 | 0.91% | AAA |
| 19. 8.95%IRFC NCD Mat 10-Mar-2025 | 14,283,105 | 0.89% | AAA |
| 20. 9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022 | 13,955,526 | 0.87% | AAA |
| 21. 8.30% Rural Electrification Corp Ltd Mat 10-Apr-2025 | 13,631,657 | 0.85% | AAA |
| 22. 9.15% EXIM Bank NCD Mat-05-Sep-2022 | 12,923,810 | 0.81% | AAA |
| 23. 8.32% Power Grid NCD Mat 23-Dec-2030 | 12,830,959 | 0.80% | AAA |
| 24. 8.82% Rural Electrification Corp. Ltd. Mat - 12.04.2023 | 11,725,649 | 0.73% | AAA |
| 25. 9.35% Rural Electrification Corp Ltd Mat 15-Jun-2022 | 10,831,545 | 0.68% | AAA |
| 26. 8.80% Power Finance Corporation Ltd.Mat-15-JAN-2025 | 10,778,180 | 0.67% | AAA |
| 27. 8.14% Nuclear Power Corp. Mat 25-03-2028 (Tranche C) | 10,605,454 | 0.66% | AAA |
| 28. 8.23% Rural Electrification Corp Ltd Mat 23-Jan-2025 | 10,439,459 | 0.65% | AAA |
| 29. 8.20% Power Finance Corporation Ltd.Mat-10-03-2025 | 10,422,158 | 0.65% | AAA |
| 30. 8.52% Power Finance Corporation Ltd.Mat-09-Dec-2019 | 10,323,166 | 0.64% | AAA |
| 31. 8.56% Nuclear Power Corp. Mat 15-03-2023(Tranche C) | 9,550,924 | 0.60% | AAA |
| 32. 8.14% Nuclear Power Corp. Mat 25-03-2027 (Tranche B) | 9,513,257 | 0.59% | AAA |
| 33. 8.85% Power Finance Corporation Ltd.Mat-15-06-2030 | 7,782,222 | 0.49% | AAA |
| 34. 8.83%IRFC NCD Mat 14-May-2034 | 6,835,429 | 0.43% | AAA |
| 35. 8.83% IRFC NCD Mat 14-May-2035 | 5,714,952 | 0.36% | AAA |
| 36. 8.40% Nuclear Power Corp. Mat 28-11-2026 (SR-XXIX TRCH-B) | 5,370,371 | 0.34% | AAA |
| 37. 8.44% Rural Electrification Corp Ltd Mat 04-Dec-2021 | 5,207,069 | 0.32% | AAA |
| 38. 8.79% IRFC NCD Mat 04-May-2030 | 4,485,807 | 0.28% | AAA |
| 39. 8.93% Power Grid NCD Mat 20-Oct-2027 | 4,423,804 | 0.28% | AAA |
| 40. 8.25% EXIM Bank NCD Mat-23-Jun-2031 | 4,245,139 | 0.26% | AAA |
| 41. 8.93% Power Grid NCD Mat 20-Oct-2020 | 4,208,081 | 0.26% | AAA |
| 42. 8.55% Power Finance Corporation Ltd.Mat-09-DEC-2021 | 4,191,403 | 0.26% | AAA |
| 43. 8.70% Power Finance Corp Ltd Mat 14-May-2020 | 4,163,597 | 0.26% | AAA |
| 44. 9.46% Power Finance Corporation Ltd.Mat-01-AUG-2026 | 3,400,894 | 0.21% | AAA |
| 45. 9.48% Rural Electrification Corp Ltd Mat 10-Aug-2021 | 3,246,500 | 0.20% | AAA |
| 46. 8.68%IRFC NCD Mat 29-11-2021 | 3,174,753 | 0.20% | AAA |
| 47. 8.27% Rural Electrification Corp Ltd Mat 09-Mar-2022 | 3,100,279 | 0.19% | AAA |
| 48. 7.74%IRFC NCD Mat 22-12-2020 | 3,051,496 | 0.19% | AAA |
| 49. 8.84% Power Grid NCD Mat 21-10-2023 | 2,679,476 | 0.17% | AAA |
| 50. 9.18% Nuclear Power Corp. Mat 23-01-2028(Tranche D) | 2,277,178 | 0.14% | AAA |
| 51. 8.93% Power Grid NCD Mat 20-Oct-2028 | 2,224,011 | 0.14% | AAA |
| 52. 9.30% Power Grid NCD Mat 04-Sep-2024 | 2,209,617 | 0.14% | AAA |
| 53. 8.93% Power Grid NCD Mat 20-Oct-2024 | 2,168,587 | 0.14% | AAA |
| 54. 9.75% EXIM Bank NCD Mat-04-Oct-2020 | 2,160,344 | 0.13% | AAA |
| 55. 8.93% Power Grid NCD Mat 20-Oct-2021 | 2,125,312 | 0.13% | AAA |
| 56. 8.50% NHPC NCD Mat 14-July-2023 | 1,581,150 | 0.10% | AAA |
| 57. 9.25% Power Grid NCD Mat 24-07-2017 | 1,268,436 | 0.08% | AAA |
| 58. 9.47% IRFC NCD Mat 10-May-2031 | 1,182,695 | 0.07% | AAA |
| 59. 9.18% Nuclear Power Corp. Mat 23-01-2029(Tranche E) | 1,146,256 | 0.07% | AAA |
| 60. 8.94% Power Finance Corp Ltd. Mat 25-Mar-2028 | 1,108,701 | 0.07% | AAA |
| 61. 9.75% Rural Electrification Corp Ltd Mat 11-Nov-2021 | 1,096,972 | 0.07% | AAA |
| 62. 11.15% Rural Electrification Corp Ltd Mat 24-Oct-2018 | 1,071,110 | 0.07% | AAA |
| 63. 9.20% Power Finance Corp Ltd Mat 07-July-2021 | 1,069,748 | 0.07% | AAA |
| 64. 8.83% IRFC NCD Mat 25-03-2023 | 1,066,182 | 0.07% | AAA |
| 65. 8.64% IRFC NCD Mat 17-May-2021 | 1,053,398 | 0.07% | AAA |
| 66. 8.36% Rural Electrification Corp Ltd Mat 22-SEP-2020 | 1,032,132 | 0.06% | AAA |
| 67. 8.55% IRFC NCD Mat 15-Jan-2019 | 1,028,524 | 0.06% | AAA |
| 68. 7.94% EXIM Bank Mat-22-05-2023 | 1,022,186 | 0.06% | AAA |
| 69. 8.70% Power Grid NCD Mat 15/07/2018 | 1,022,169 | 0.06% | AAA |
| 70. 8.95% Power Finance Corp Ltd Mat 11-Mar-2018 | 1,021,045 | 0.06% | AAA |

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|----------------------|----------------|-----------------|
| Private Corporate Bonds | | | |
| 1. 10.40% Reliance Ports and Terminal Ltd NCD Mat 18-Jul-2021 | 105,014,959 | 6.55% | AAA |
| 2. 8.67% IDFC Bank Ltd NCD Mat 03-Jan-2025 | 75,959,569 | 4.74% | AAA |
| 3. 9.20 Capital First Ltd Mat 29-Jan-2021 | 51,568,628 | 3.22% | AA+ |
| 4. 9.20% Capital First Ltd Mat 22-Jan-2021 | 50,550,850 | 3.15% | AA+ |
| 5. 8.55% BAJAJ FINANCE LTD NCD MAT 26-APR-2021 | 49,436,796 | 3.09% | AA+ |
| 6. 10.15% BAJAJ FINANCE LTD NCD MAT 19-SEP-2024 | 46,953,768 | 2.93% | AA+ |
| 7. 8.94% BAJAJ FINANCE LTD NCD MAT 07-Nov-2025 | 38,989,961 | 2.43% | AA+ |
| 8. 10.25% Shriram Transport Fin NCD Mat 10-Oct-2024 | 31,865,804 | 1.99% | AA+ |
| 9. 9.30% LIC Housing Finance Ltd. Mat-14-Sep-2022 | 31,444,966 | 1.96% | AAA |
| 10. 8.45% Reliance Ports and Terminal Ltd NCD Mat 12-Jun-2023 | 25,162,959 | 1.57% | AAA |
| 11. 10% Shriram Transport Fin NCD Mat 13-Nov-2024 | 22,771,015 | 1.42% | AA+ |
| 12. 9.60% LIC Housing Finance Ltd. Mat-07-MAR-2021 | 21,599,203 | 1.35% | AAA |
| 13. 9.00% LIC Housing Finance Ltd. Mat-23-NOV-2020 | 21,103,189 | 1.32% | AAA |
| 14. 9.05% Shriram Transport Fin NCD Mat 30-June-2021 | 20,567,311 | 1.28% | AA+ |
| 15. 10.25% Shriram Transport Fin NCD Mat 18-Sep-2024 | 19,755,972 | 1.23% | AA+ |
| 16. 9.45% LIC Housing Finance Co. Ltd. Mat-30-Jan-2022 | 19,552,509 | 1.22% | AAA |
| 17. 8.70% IDFC Bank Ltd NCD Mat 23-June-2025 | 17,197,875 | 1.07% | AAA |
| 18. 8.75% IDFC Bank Ltd NCD Mat 28-Jul-2023 | 17,037,019 | 1.06% | AAA |
| 19. 10.35% United Phosphorus Ltd. NCD MAT 08-June-2019 | 17,002,871 | 1.06% | AA+ |
| 20. 9.22% Shriram Transport Fin NCD Mat 13-Apr-2026 | 14,574,605 | 0.91% | AA+ |
| 21. 9.43% LIC Housing Finance Co. Ltd. Mat-10-Feb-2022 | 13,021,474 | 0.81% | AAA |
| 22. 8.50% LIC Housing Finance Co. Ltd. Mat-29-Aug-2025 | 11,705,053 | 0.73% | AAA |
| 23. 9.17% IDFC Bank Ltd NCD Mat 14-Oct-2024 | 10,983,346 | 0.69% | AAA |
| 24. 8.89% IDFC Bank Ltd NCD Mat 02-Dec-2020 | 10,515,664 | 0.66% | AAA |
| 25. 9.30% Shriram Transport Fin NCD Mat 18-Mar-2026 | 10,471,962 | 0.65% | AA+ |
| 26. 9.25% Shriram Transport Fin NCD Mat 18-Mar-2021 | 10,338,901 | 0.65% | AA+ |
| 27. 8.40 % L&T NCD Mat 24 Sep 20 | 10,335,439 | 0.64% | AAA |
| 28. 8.85% BAJAJ FINANCE LTD NCD MAT 21-July-2026 | 10,217,000 | 0.64% | AAA |
| 29. 9.15% Shriram Transport Fin NCD Mat 13-Apr-2021 | 9,276,379 | 0.58% | AA+ |
| 30. 9.38% IDFC Bank Ltd NCD Mat 12-September-2024 | 5,548,668 | 0.35% | AAA |
| 31. 9.22% LIC Housing Finance Co. Ltd. Mat 16-Oct-2024 | 5,506,531 | 0.34% | AAA |
| 32. 8.73% IDFC Bank Ltd NCD Mat 14-Jun-2022 | 5,276,144 | 0.33% | AAA |
| 33. 9.25% Tata Sons Ltd NCD Mat 19-June-2019 | 5,227,402 | 0.33% | AAA |
| 34. 8.75% Mahindra and Mahindra Financial Services Ltd Mat-09-Oct-2025 | 5,119,296 | 0.32% | AAA |
| 35. 8.64% IDFC Bank Ltd NCD Mat 15-April-2020 | 4,155,201 | 0.26% | AAA |
| 36. 8.49% IDFC Bank Ltd NCD Mat 11-December-2024 | 3,176,531 | 0.20% | AAA |
| 37. 8.68% LIC Housing Finance Ltd. Mat 30-Mar-2020 | 3,118,665 | 0.19% | AAA |
| 38. 9.50% IL&FS Ltd. NCD Mat 28-July-2024 | 3,082,534 | 0.19% | AAA |
| 39. 9.80% L&T Infrastructure Finance Ltd Mat-16-01-2019. | 2,580,723 | 0.16% | AA+ |
| 40. 9.47% LIC Housing Finance Ltd 23rd Aug 2024 | 2,228,519 | 0.14% | AAA |
| 41. 8.70% IDFC Bank Ltd NCD Mat 20-May-2025 | 2,147,797 | 0.13% | AAA |
| 42. 9.55% IL&FS Ltd. NCD Mat 13-Aug-2024 | 2,132,320 | 0.13% | AAA |
| 43. 9.44% LIC Housing Finance Co. Ltd. Mat-30-Aug-2019. | 2,107,410 | 0.13% | AAA |
| 44. 9.43% Tata Sons Ltd NCD Mat 02-Jun-2019 | 2,098,847 | 0.13% | AAA |
| 45. 9.55% Hindalco Ind. Ltd. NCD Mat 27-Jun-2022 | 2,091,295 | 0.13% | AA- |
| 46. 10% Shriram Transport Fin NCD Mat 15-07-2019 | 2,085,488 | 0.13% | AA+ |
| 47. 10.50% Shriram Transport Fin-Series II Mat 09-08-2017 | 2,042,973 | 0.13% | AA+ |
| 48. 8.69% IL&FS Ltd. NCD Mat 25-Aug-2025 | 2,033,858 | 0.13% | AAA |
| 49. 9.74% Tata Sons Ltd NCD Mat 13-Jan-2024 | 1,122,444 | 0.07% | AAA |
| 50. 10.24% L&T Finance Ltd Mat-17-09-2019 | 1,057,316 | 0.07% | AA+ |
| 51. 9.45% LIC Housing Finance Co. Ltd. Mat-10-Sept-2019 | 1,054,168 | 0.07% | AAA |
| 52. 9.51% LIC Housing Finance Co. Ltd. Mat-24-07-2019 | 1,053,131 | 0.07% | AAA |
| 53. 8.97% Tata Sons Ltd NCD Mat 15-Jul-2020 | 1,049,883 | 0.07% | AAA |
| 54. 9.63% LIC Housing Finance Co. Ltd. Mat-22-01-2019 | 1,047,128 | 0.07% | AAA |
| 55. 8.72% IDFC Bank Ltd NCD Mat 29-Sep-2020 | 1,044,414 | 0.07% | AAA |
| 56. 8.37% LIC Housing Finance Co. Ltd. Mat-21-05-2023 | 1,044,039 | 0.07% | AAA |
| 57. 9.65% LIC Housing Finance Co. Ltd. Mat-01-11-2018 | 1,043,710 | 0.07% | AAA |
| 58. 9.18% IDFC Bank Ltd NCD Mat 11-Jun-2024 | 1,043,092 | 0.07% | AAA |
| 59. 9.33% IDFC Bank Ltd NCD Mat 14-March-2026 | 1,042,738 | 0.07% | AAA |
| 60. 8.90% IDFC Bank Ltd NCD Mat 29-Sep-2019 | 1,040,870 | 0.06% | AAA |
| 61. 9.85% Tata Sons Ltd NCD Mat 21-May-2017. | 1,014,632 | 0.06% | AAA |
| 62. 10.75% Shriram Transport Finance-Series II Mat 24-10-2018 | 415,759 | 0.03% | AA+ |
| Debt Instruments Total | 1,526,848,504 | 95.28% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. Reliance Liquidity Fund - Direct Growth Plan - Growth Option | 16,753,499 | 1.05% | AAA |
| Money Market Instruments Total | 16,753,499 | 1.05% | |
| Cash/Cash Equivalent & Net Current Assets | 58,848,906 | 3.67% | |
| Grand Total | 1,602,450,909 | 100.00% | |

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|----------------------|----------------|-----------------|
| Average Maturity of Portfolio (in yrs) # | 7.17 | | |
| Modified Duration (in yrs) # | 4.90 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 7.71% | | |
| Credit Rating Exposure | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | 1,122,450,127 | 70.05% | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | 402,307,082 | 25.11% | |
| AA / equivalent | - | - | |
| AA- / equivalent | 2,091,295 | 0.13% | |
| A+ / equivalent | - | - | |
| A / equivalent | - | - | |
| A- / equivalent | - | - | |
| BBB+ / equivalent | - | - | |
| BBB / equivalent | - | - | |
| BBB- / equivalent | - | - | |
| Lower (Below Investment Grade) | - | - | |
| (out of above Net NPA) | - | - | |
| TOTAL | 1,526,848,504 | 95.28% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 16,753,499 | 1.05% | |
| Cash / cash equivalent net current assets | 58,848,906 | 3.67% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 1,602,450,909 | 100.00% | |
| Units Outstanding | 109,877,256 | | |
| NAV | 14.5840 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2016 | | 13.4613 | |
| d. NAV at September 30,2016 | | 14.5840 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2016 | | - | |
| f. Total 'Infrastructure investments' September 30, 2016 | | 668,138,883 | |
| # Calculated on debt portfolio | | | |

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 31, 2016 (UN-AUDITED)

| Sr No | Particulars | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------|--|---|---|
| 1 | NAV per unit (₹) I | | |
| | Open | 13.4613 | 12.3268 |
| | High | 14.5856 | 12.9652 |
| | Low | 13.5316 | 12.3377 |
| | End | 14.5840 | 12.9652 |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | 16,024.51 | 3129.74 |
| | Average daily net assets (AAuM) II | 12,938.49 | 2187.88 |
| 3 | Gross income as % of AAuM III | 8.14% | 5.61% |
| 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 | 8.12% | 5.61% |
| 6 | Portfolio turnover ratio VII | 1.84% | 0.00% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | 12.49% | 13.99% |
| | Benchmark | 11.51% | 12.56% |
| b | Since inception | 45.84% | 29.65% |
| | Benchmark | 39.52% | 25.13% |
| c | Compound annualised yield (%) VIII | | |
| | Last 1 year | 12.49% | 13.99% |
| | Last 2 year | 13.24% | 12.86% |
| | Last 3 year | 12.73% | N.A. |
| | Since launch of the scheme | 12.65% | 12.75% |
| | 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 = Income includes Interest, Dividend, Realised/Unrealised Gain | | |
| 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 = Total income less Total expenses and losses | | |
| 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) | | |



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

**Un-audited Financial Statements for the half year
ended September 30, 2016**

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, 2016

(In ₹)

| Particulars | Schedule | As at September 30, 2016 | As at September 30, 2015 |
|--|----------|-----------------------------|-----------------------------|
| | | Amount | Amount |
| Liabilities | | | |
| Unit Capital | 1 | 40,113,939 | 15,579,431 |
| Reserves & Surplus | 2 | 15,000,121 | 3,408,905 |
| Current Liabilities and Provisions | 3 | 182,106 | 4,468 |
| Total | | 55,296,166 | 18,992,804 |
| Assets | | | |
| Investments | 4 | 53,238,145 | 18,301,670 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 2,058,021 | 691,134 |
| Total | | 55,296,166 | 18,992,804 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 55,114,060 | 18,988,336 |
| (b) Number of units outstanding | | 4,011,394 | 1,557,943 |
| (c) NAV per unit (a)/(b) (₹) | | 13.7393 | 12.1880 |
| 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

Amitabh Chaudhry
(Director)Vibha Padalkar
(Director)Sumit Shukla
(Chief Executive Officer)Fagun Pancholi
(Chief Financial Officer)Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2016

(In ₹)

| Particulars | Schedule | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|---|----------|---|---|
| | | Amount | Amount |
| Income | | | |
| Interest | | 1,693,893 | 583,167 |
| Profit on sale/redemption of investments | | 43,361 | 53,020 |
| Unrealised gain on appreciation in investments | | 1,748,630 | 109,130 |
| Total Income (A) | | 3,485,884 | 745,317 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | - |
| Management fees (including service tax) | | 2,403 | 847 |
| NPS Trust fees | | 2,092 | - |
| Custodian fees | | 1,494 | 519 |
| CRA fees | | 10,438 | 3,181 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (10,438) | (3,181) |
| Total Expenses & Losses (B) | | 5,989 | 1,366 |
| Surplus/(Deficit) for the year (A-B = C) | | 3,479,895 | 743,951 |
| Balance at the beginning of the period | | 1,799,588 | 130,007 |
| Less: Amount transferred to Unrealised appreciation account | | (1,748,630) | (109,130) |
| Less: Amount transferred to General Reserve | | - | - |
| Balance at the end of the period carried to Balance Sheet | | 3,530,853 | 764,828 |
| Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis. | | 8.35% | 5.00% |
| Total expenditure expressed as a percentage of average net assets, calculated on a daily basis. | | 0.01% | 0.01% |
| 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

Amitabh Chaudhry
(Director)

Vibha Padalkar
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Initial capital | | |
| Initial capital | | |
| Outstanding at the beginning of the period | 25,261,091 | 6,099,940 |
| Add :Units issued during the period | 18,303,030 | 9,701,789 |
| Less: Units redeemed during the period | (3,450,182) | (222,298) |
| Outstanding at the end of the period | 40,113,939 | 15,579,431 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 2,526,109 | 609,994 |
| Add :Units issued during the period | 1,830,303 | 970,179 |
| Less: Units redeemed during the period | (345,018) | (22,230) |
| Outstanding Units at the end of the period | 4,011,394 | 1,557,943 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Unit premium reserve | | |
| Opening balance | 4,840,262 | 832,632 |
| Add: Premium on Units issued | 5,869,883 | 1,715,814 |
| Less: Premium on Units redeemed | (1,068,256) | (39,576) |
| Closing balance | 9,641,889 | 2,508,870 |
| General Reserve | | |
| Opening balance | - | - |
| Add: Transfer from Revenue Account | - | - |
| Closing balance | - | - |
| Unrealised Appreciation Reserve | | |
| Opening balance | 78,749 | 26,077 |
| Change in net unrealised appreciation in value of investments | 1,748,630 | 109,130 |
| Closing balance | 1,827,379 | 135,207 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 1,799,588 | 130,007 |
| Add: Surplus during the period | 1,731,265 | 634,821 |
| Less: Deficit during the period | - | - |
| Closing balance | 3,530,853 | 764,828 |
| Total | 15,000,121 | 3,408,905 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 4,903 | 951 |
| Redemption Payable | 176,901 | 3,451 |
| TDS Payable | 44 | 16 |
| Provisions* | 258 | 50 |
| Total | 182,106 | 4,468 |

* The Provision referred above is towards TDS payable on Custodian fees.

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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Debentures and Bonds Listed/Awaiting Listing | 51,873,146 | 16,698,670 |
| Others - Mutual funds | 1,364,999 | 1,603,000 |
| Total | 53,238,145 | 18,301,670 |

Schedule 5: Deposits**(In ₹)**

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Deposits with scheduled banks | - | - |
| Total | - | - |

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

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Balances with banks in current account | 451 | 307 |
| Outstanding and accrued income | 2,057,570 | 690,827 |
| Application money pending allotment | - | - |
| Total | 2,058,021 | 691,134 |

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, 2016

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

1.3 Investments

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

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

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

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

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.

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.

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.

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

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS 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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| 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 |
| Mr. Amitabh Chaudhry | Key Management Personnel |
| Ms. Vibha Padalkar | Key Management Personnel |
| 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, 2016

(In ₹)

| Nature of Transaction | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|----------------------------|---|---|
| | Amount | Amount |
| Investment management fees | 2,403 | 847 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | As at September 30, 2016 | As at September 30, 2015 |
|------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Investment management fees payable | 1,414 | 544 |

Aggregate investments made in the Associates and group companies as at September 30, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| | | 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, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| | | 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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 41,726,635 | 14,908,826 |
| Purchase of Investment | 151,342,550 | 96,596,314 |
| % to average Net Assets Value | 363.00% | 648.00% |
| Sale of Investment | 130,104,162 | 85,067,221 |
| % to average Net Assets Value | 312.00% | 571.00% |

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 41,726,635 | 14,908,826 |
| Purchase of Investment | 20,749,953 | 11,698,116 |
| % to average Net Assets Value | 50.00% | 78.00% |
| 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 | As at September 30, 2016 | | As at September 30, 2015 | |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Other credit granting | 15,208,604 | 27.59% | 5,203,815 | 27.41% |
| Monetary intermediation of commercial / saving / postal banks | 7,479,183 | 13.57% | 1,060,372 | 5.58% |
| Transmission of Electric Energy | 4,638,952 | 8.42% | 1,032,885 | 5.44% |
| Activities of specialized institutions granting credit for house purchases | 4,304,687 | 7.81% | 1,039,510 | 5.47% |
| Trusts, Funds and Other Financial Vehicles | 4,152,965 | 7.54% | 1,068,000 | 5.62% |
| Activity of commission agents dealing in wholesale trade in agriculture | 3,313,726 | 6.01% | 1,073,500 | 5.65% |
| Service activities incidental to water transportation | 3,282,818 | 5.96% | 1,097,033 | 5.78% |
| Electric Power Generation, Transmission and Distribution | 3,179,086 | 5.77% | 996,645 | 5.25% |
| Activities of holding companies | 2,115,259 | 3.84% | 2,052,820 | 10.81% |
| Electric power generation by coal based thermal power plants | 2,111,328 | 3.83% | 1,015,944 | 5.35% |
| Manufacture of pesticides and other agrochemical products | 1,062,679 | 1.93% | 1,058,146 | 5.57% |
| Others (Industries constitute less than 5%) | 1,023,859 | 1.86% | - | 0.00% |
| Mutual Funds | 1,364,999 | 2.48% | 1,603,000 | 8.44% |
| Net Current Assets | 1,875,915 | 3.40% | 686,666 | 3.62% |
| Net Asset Value | 55,114,060 | 100.00% | 18,988,336 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.
2. Previous year figures have been reclassified/regrouped wherever applicable to conform to current years presentation.

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 confirm current year's presentation.

(In ₹)

| Security Name | Asset Type | Ageing | As at September 30, 2016 | As at September 30, 2015 |
|---------------|--------------------|------------------|-----------------------------|-----------------------------|
| | Liquid Mutual Fund | Less than 7 Days | NIL | NIL |

2.8 Prior Year Comparatives :

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

2.9 Note on status of litigation matters with PFRDA

The wholly-owned subsidiary of HDFC Life, HDFC Pension Management Company Limited, is engaged in the business of management of private sector pension funds under the National Pension System, to which HDFC Life acts as the Sponsor. The Company has been in the business from August 2013. However, In January 2014, a fresh Request for Proposal ('RFP') was floated by the PFRDA seeking bids from Sponsors for selection of pension fund managers afresh to manage the pension funds. In response to the RFP, HDFC Life ('the Sponsor') had submitted its technical and commercial bid. The technical bid made under RFP was opened in April 2014 and the bid submitted by the Sponsor was not accepted by the PFRDA on technical grounds of not having profitability for a period of 3 years. The Sponsor, therefore, filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the said rejection. The Hon'ble High Court of Delhi by its Order dated May 15, 2014 quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to evaluate the bid in accordance with the steps set out in the RFP. While the PFRDA cleared the Sponsor's technical and commercial bid and the Sponsor even agreed to match the lowest commercial bid, the PFRDA declined to grant the Sponsor a 'Letter of Appointment'. The Sponsor therefore filed another Writ Petition before the Hon'ble High Court of Delhi against the rejection. Vide its Order dated December 18, 2014 the Hon'ble High Court of Delhi quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to grant HDFC Life a 'Letter of Appointment' to act as a Sponsor. Subsequently, the PFRDA has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the above said Order dated December 18, 2014. The Hon'ble Supreme Court, by its Order dated March 9, 2015, refused to grant the PFRDA any ad-interim relief and the matter is presently pending hearing. On March 27, 2015, complying with the High Court order, the PFRDA had issued a 'Letter of Appointment' in favour of the Sponsor, stating inter alia that such appointment is subject to the outcome of the above proceedings filed before the Hon'ble Supreme Court. The Company has obtained an opinion from its lawyers, as per which the Company stands a fairly good chance of succeeding in the matter. It may be noted that the PFRDA (Pension Fund) Regulations, 2015 were notified in May 2015, pursuant to which re-registration of all pension funds was sought by the PFRDA. HDFC Pension has submitted its application for the same, and a revert from the PFRDA is awaited.

It may be noted that this would not have any impact on the subscriber as the assets and funds of the subscribers of National Pension System are held by NPS Trust, while HDFC Pension acts as a Fund Manager only.

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

3. Portfolio Statement for the half year ended September 30, 2016

(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 07-03-2022. | 2,215,593 | 4.02% | AAA |
| 2. 8.95%IRFC NCD Mat 10-Mar-2025 | 2,197,401 | 3.99% | AAA |
| 3. 8.49% NTPC NCD Mat 25-Mar-2025 | 2,111,328 | 3.83% | AAA |
| 4. 9.30% Power Grid NCD Mat 28-June-2026 | 1,402,240 | 2.54% | AAA |
| 5. 8.83%IRFC NCD Mat 14-May-2034 | 1,139,238 | 2.07% | AAA |
| 6. 9.46% Power Finance Corporation Ltd.Mat-01-AUG-2026 | 1,133,631 | 2.06% | AAA |
| 7. 8.83% IRFC NCD Mat 14-May-2031 | 1,126,198 | 2.04% | AAA |
| 8. 9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024 | 1,106,745 | 2.01% | AAA |
| 9. 9.30% Power Grid NCD Mat 04-Sep-2024 | 1,104,809 | 2.00% | AAA |
| 10. 8.80% Food Corporation of India Ltd Mat 22-03-2028. | 1,098,133 | 1.99% | AAA |
| 11. 9.75% EXIM Bank NCD Mat-04-Oct-2020 | 1,080,172 | 1.96% | AAA |
| 12. 8.70% Power Finance Corporation Ltd.Mat-14-05-2025 | 1,073,782 | 1.95% | AAA |
| 13. 9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022 | 1,073,502 | 1.95% | AAA |
| 14. 8.32% Power Grid NCD Mat 23-Dec-2030 | 1,069,247 | 1.94% | AAA |
| 15. 8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A) | 1,068,805 | 1.94% | AAA |
| 16. 8.93% Power Grid NCD Mat 20-Oct-2021 | 1,062,656 | 1.93% | AAA |
| 17. 8.25% EXIM Bank NCD Mat-23-Jun-2031 | 1,061,285 | 1.93% | AAA |
| 18. 8.14% Nuclear Power Corp. Mat 25-03-2027 (Tranche B) | 1,057,029 | 1.92% | AAA |
| 19. 8.85% Power Finance Corporation Ltd.Mat-31-05-2021 | 1,054,978 | 1.91% | AAA |
| 20. 8.14% Nuclear Power Corp. Mat 25-03-2026(Tranche A) | 1,053,252 | 1.91% | AAA |
| 21. 8.55% Power Finance Corporation Ltd.Mat-09-DEC-2021 | 1,047,851 | 1.90% | AAA |
| 22. 8.44% Rural Electrification Corp Ltd Mat 04-Dec-2021 | 1,041,414 | 1.89% | AAA |
| 23. 8.10% EXIM Bank NCD Mat-19-Nov-2025 | 1,038,952 | 1.89% | AAA |
| Private Corporate Bonds | | | |
| 1. 10.40% Reliance Ports and Terminal Ltd NCD Mat 18-Jul-2021 | 2,234,361 | 4.05% | AAA |
| 2. 8.94% BAJAJ FINANCE LTD NCD MAT 07-Nov-2025 | 2,052,103 | 3.72% | AA+ |
| 3. 10.25% Shriram Transport Fin NCD Mat 10-Oct-2024 | 1,098,821 | 1.99% | AA+ |
| 4. 9.69% Tata Sons Ltd NCD Mat 12-Jun-2022 | 1,098,330 | 1.99% | AAA |
| 5. 10.15% BAJAJ FINANCE LTD NCD MAT 19-SEP-2024 | 1,091,948 | 1.98% | AA+ |
| 6. 8.90% IDFC Bank Ltd NCD Mat 19-Nov-2025 | 1,090,208 | 1.98% | AAA |
| 7. 9.45% LIC Housing Finance Co. Ltd. Mat-30-Jan-2022 | 1,086,250 | 1.97% | AAA |
| 8. 10% Shriram Transport Fin NCD Mat 13-Nov-2024 | 1,084,334 | 1.97% | AA+ |
| 9. 9.30% LIC Housing Finance Ltd. Mat-14-Sep-2022 | 1,084,309 | 1.97% | AAA |
| 10. 9.60% LIC Housing Finance Ltd. Mat-07-MAR-2021 | 1,079,960 | 1.96% | AAA |
| 11. 8.70% IDFC Bank Ltd NCD Mat 20-May-2025 | 1,073,899 | 1.95% | AAA |
| 12. 8.67% IDFC Bank Ltd NCD Mat 03-Jan-2025 | 1,069,853 | 1.94% | AAA |
| 13. 8.75% IDFC Bank Ltd NCD Mat 28-Jul-2023 | 1,064,814 | 1.93% | AAA |
| 14. 10.35% United Phosphorus Ltd. NCD MAT 08-June-2019 | 1,062,679 | 1.93% | AA+ |
| 15. 9.45% LIC Housing Finance Co. Ltd. Mat-10-Sept-2019 | 1,054,168 | 1.91% | AAA |
| 16. 8.45% Reliance Ports and Terminal Ltd NCD Mat 12-Jun-2023 | 1,048,457 | 1.90% | AAA |
| 17. 9.15% Shriram Transport Fin NCD Mat 13-Apr-2021 | 1,030,709 | 1.87% | AA+ |
| 18. 8.75% Mahindra and Mahindra Financial Services Ltd Mat-09-Oct-2025 | 1,023,859 | 1.86% | AAA |
| 19. 8.69% IL&FS Ltd. NCD Mat 25-Aug-2025 | 1,016,929 | 1.85% | AAA |
| 20. 8.55% BAJAJ FINANCE LTD NCD MAT 26-APR-2021 | 1,008,914 | 1.83% | AA+ |
| Debt Instruments Total | 51,873,146 | 94.12% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. Reliance Liquidity Fund - Direct Growth Plan - Growth Option | 1,364,999 | 2.48% | AAA |
| Money Market Instruments Total | 1,364,999 | 2.48% | |
| Cash/Cash Equivalent & Net Current Assets | 1,875,915 | 3.40% | |
| Grand Total | 55,114,060 | 100.00% | |

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|-------------------|----------------|-----------------|
| Average Maturity of Portfolio (in yrs) # | 7.85 | | |
| Modified Duration (in yrs) # | 5.23 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 7.65% | | |
| <u>Credit Rating Exposure</u> | | | |
| Central Government Securities | - | - | |
| State Development Loans | - | - | |
| AAA / equivalent | 43,443,638 | 78.82% | |
| A1+ / equivalent (Certificate of Deposits / Commercial Papers) | - | - | |
| AA+ / equivalent | 8,429,508 | 15.29% | |
| 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 | 51,873,146 | 94.12% | |
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 1,364,999 | 2.48% | |
| Cash / cash equivalent net current assets | 1,875,915 | 3.40% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 55,114,060 | 100.00% | |
| Units Outstanding | 4,011,394 | | |
| NAV | 13.7393 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2016 | | 12.6596 | |
| d. NAV at September 30,2016 | | 13.7393 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2016 | | - | |
| f. Total 'Infrastructure investments' September 30, 2016 | | 25,206,924 | |
| # Calculated on debt portfolio | | | |

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

| Sr No | Particulars | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------|---|---|---|
| 1 | NAV per unit (₹) I Open High Low End | 12.6596 13.7393 12.7169 13.7393 | 11.6208 12.188 11.6242 12.188 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 551.14 417.27 | 189.88 149.09 |
| 3 | Gross income as % of AAuM III | 8.35% | 5.00% |
| 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 | 8.34% | 4.99% |
| 6 | Portfolio turnover ratio VII | 0.00% | 0.00% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) VIII | | |
| a | Last one year Benchmark | 12.73% 11.51% | 9.90% 12.56% |
| b | Since inception Benchmark | 37.39% 39.52% | 21.88% 25.13% |
| c | Compound annualised yield (%) IX Last 1 year Last 2 year Last 3 year Since launch of the scheme | 12.73% 11.31% 10.58% 10.55% | 9.90% 9.52% N.A. 9.57% |
| | 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 = Income includes Interest, Dividend, Realised/Unrealised Gain | | |
| 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 = Total income less Total expenses and losses | | |
| 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: $= (1 + \text{cumulative return})^n - 1$ (where n=365/no. of days) | | |



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

**Un-audited Financial Statements for the half year
ended September 30, 2016**

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, 2016

(In ₹)

| Particulars | Schedule | As at September 30, 2016 | As at September 30, 2015 |
|--|----------|-----------------------------|-----------------------------|
| | | Amount | Amount |
| Liabilities | | | |
| Unit Capital | 1 | 1,365,753,386 | 272,745,041 |
| Reserves & Surplus | 2 | 641,569,057 | 77,701,845 |
| Current Liabilities and Provisions | 3 | 24,701,766 | 3,581,131 |
| Total | | 2,032,024,209 | 354,028,017 |
| Assets | | | |
| Investments | 4 | 1,974,866,106 | 345,202,284 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 57,158,103 | 8,825,733 |
| Total | | 2,032,024,209 | 354,028,017 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 2,007,322,443 | 350,446,886 |
| (b) Number of units outstanding | | 136,575,339 | 27,274,504 |
| (c) NAV per unit (a)/(b) (₹) | | 14.6975 | 12.8488 |
| 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

Amitabh Chaudhry
(Director)Vibha Padalkar
(Director)Sumit Shukla
(Chief Executive Officer)Fagun Pancholi
(Chief Financial Officer)Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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, 2016

(In ₹)

| Particulars | Schedule | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|---|----------|---|---|
| | | Amount | Amount |
| Income | | | |
| Interest | | 59,249,131 | 9,627,677 |
| Profit on sale/redemption of investments | | 13,523,257 | 291,559 |
| Unrealised gain on appreciation in investments | | 98,581,631 | 2,223,103 |
| Total Income (A) | | 171,354,019 | 12,142,339 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | |
| Management fees (including service tax) | | 91,016 | 13,851 |
| NPS Trust fees | | 79,241 | |
| Custodian fees | | 57,030 | 9,491 |
| CRA fees | | 2,983,340 | 890,078 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (2,983,340) | (890,078) |
| Total Expenses & Losses (B) | | 227,287 | 23,342 |
| Surplus/(Deficit) for the year (A-B = C) | | 171,126,732 | 12,118,997 |
| Balance at the beginning of the period | | 39,943,874 | 6,546,589 |
| Less: Amount transferred to Unrealised appreciation account | | (98,581,631) | (2,223,103) |
| Less: Amount transferred to General Reserve | | - | - |
| Balance at the end of the period carried to Balance Sheet | | 112,488,975 | 16,442,483 |
| Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis. | | 10.84% | 4.98% |
| Total expenditure expressed as a percentage of average net assets, calculated on a daily basis. | | 0.01% | 0.01% |
| 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

Amitabh Chaudhry
(Director)

Vibha Padalkar
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Panchoi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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 | As at | As at |
|---|----------------------|--------------------|
| | September 30, 2016 | September 30, 2015 |
| | Amount | Amount |
| Initial capital | | |
| Unit capital | | |
| Outstanding units at the beginning of the period | 895,774,852 | 139,818,985 |
| Add :Units issued during the period | 492,109,330 | 142,027,053 |
| Less: Units redeemed during the period | (22,130,796) | (9,100,997) |
| Outstanding at the end of the period | 1,365,753,386 | 272,745,041 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 89,577,485 | 13,981,898 |
| Add :Units issued during the period | 49,210,933 | 14,202,705 |
| Less: Units redeemed during the period | (2,213,080) | (910,100) |
| Outstanding Units at the end of the period | 136,575,339 | 27,274,504 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | September 30, 2016 | September 30, 2015 |
| | Amount | Amount |
| Unit premium reserve | | |
| Opening balance | 232,370,792 | 19,845,980 |
| Add: Premium on Units issued | 190,758,314 | 34,446,035 |
| Less: Premium on Units redeemed | (8,697,737) | (2,149,513) |
| Closing balance | 414,431,369 | 52,142,502 |
| General Reserve | | |
| Opening balance | - | - |
| Add: Transfer from Revenue Account | - | - |
| Closing balance | - | - |
| Unrealised Appreciation Reserve | | |
| Opening balance | 16,067,082 | 6,893,757 |
| Change in net unrealised appreciation in value of investments | 98,581,631 | 2,223,103 |
| Closing balance | 114,648,713 | 9,116,860 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 39,943,874 | 6,546,589 |
| Add: Surplus during the period | 72,545,101 | 9,895,894 |
| Less: Deficit during the period | - | - |
| Closing balance | 112,488,975 | 16,442,483 |
| Total | 641,569,057 | 77,701,845 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | As at | As at |
|---|--------------------|--------------------|
| | September 30, 2016 | September 30, 2015 |
| | Amount | Amount |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 170,293 | 16,437 |
| Redemption Payable | 1,036,362 | 25,475 |
| TDS Payable | 1,583 | 269 |
| Contracts for purchase of investments | 23,485,594 | 3,538,105 |
| Provisions* | 7,934 | 845 |
| Total | 24,701,766 | 3,581,131 |

* The Provision referred above is towards TDS payable on Custodian fees.

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Central and state government securities (including treasury bills) | 1,959,282,406 | 344,265,284 |
| Others - Mutual funds | 15,583,700 | 937,000 |
| Total | 1,974,866,106 | 345,202,284 |

Schedule 5: Deposits**(In ₹)**

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Deposits with scheduled banks | - | - |
| Total | - | - |

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

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| Balances with banks in current account | 403 | 850 |
| Outstanding and accrued income | 33,672,105 | 5,286,778 |
| Sundry debtors - Margin Money for Investment | 23,485,595 | 3,538,105 |
| Total | 57,158,103 | 8,825,733 |

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, 2016

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

1.3 Investments

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

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

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

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

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 securities are valued at the aggregated prices received from independent valuation agencies CRISIL & ICRA on the particular valuation day.

Treasury bills are valued at amortised cost. If they are traded, then they are valued at the last traded price on National Stock Exchange (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 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

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS 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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| 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 |
| Mr. Amitabh Chaudhry | Key Management Personnel |
| Ms. Vibha Padalkar | Key Management Personnel |
| 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 year ended September 30, 2016

(In ₹)

| Nature of Transaction | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|----------------------------|---|---|
| | Amount | Amount |
| Investment management fees | 91,016 | 13,851 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | As at September 30, 2016 | As at September 30, 2015 |
|------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Investment management fees payable | 51,419 | 9,068 |

Aggregate investments made in the Associates and group companies as at September 30, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| | | 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, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | Cost | Market Value | Cost | Market Value |
| | | NIL | NIL | NIL | NIL |

2.4 Provision

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

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

Notes to accounts (Un-audited)

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 1,580,489,658 | 243,899,833 |
| Purchase of Investment | 3,664,116,618 | 359,454,910 |
| % to average Net Assets Value | 232.00% | 147.00% |
| Sale of Investment | 2,953,777,968 | 184,275,300 |
| % to average Net Assets Value | 187.00% | 76.00% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 1,580,489,658 | 243,899,833 |
| Purchase of Investment | 1,037,105,519 | 181,454,109 |
| % to average Net Assets Value | 66.00% | 74.00% |
| Sale of Investment | 328,122,352 | 7,138,834 |
| % to average Net Assets Value | 21.00% | 3.00% |

*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, 2016 | | As at September 30, 2015 | |
|-------------------------------|--------------------------|------------------------------|--------------------------|------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Central Government Securities | 1,925,142,519 | 95.91% | 341,002,116 | 97.30% |
| State Development Loans | 34,139,887 | 1.70% | 3,263,168 | 0.93% |
| Mutual Funds | 15,583,700 | 0.78% | 937,000 | 0.27% |
| Net Current Assets | 32,456,337 | 1.62% | 5,244,602 | 1.50% |
| Net Asset Value | 2,007,322,443 | 100.00% | 350,446,886 | 100.00% |

Note :

- 1) Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.
2. Previous year figures have been reclassified/regrouped wherever applicable to conform to current years presentation.

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

(In ₹)

| Security Name | Asset Type | Ageing | As at September 30, 2016 | As at September 30, 2015 |
|---------------|--------------------|------------------|-----------------------------|-----------------------------|
| | Liquid Mutual Fund | Less than 7 days | NIL | NIL |

2.8 Prior Year Comparatives :

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

2.9 Note on status of litigation matters with PFRDA

The wholly-owned subsidiary of HDFC Life, HDFC Pension Management Company Limited, is engaged in the business of management of private sector pension funds under the National Pension System, to which HDFC Life acts as the Sponsor. The Company has been in the business from August 2013. However, in January 2014, a fresh Request for Proposal ('RFP') was floated by the PFRDA seeking bids from Sponsors for selection of pension fund managers afresh to manage the pension funds. In response to the RFP, HDFC Life ('the Sponsor') had submitted its technical and commercial bid. The technical bid made under RFP was opened in April 2014 and the bid submitted by the Sponsor was not accepted by the PFRDA on technical grounds of not having profitability for a period of 3 years. The Sponsor, therefore, filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the said rejection. The Hon'ble High Court of Delhi by its Order dated May 15, 2014 quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to evaluate the bid in accordance with the steps set out in the RFP. While the PFRDA cleared the Sponsor's technical and commercial bid and the Sponsor even agreed to match the lowest commercial bid, the PFRDA declined to grant the Sponsor a 'Letter of Appointment'. The Sponsor therefore filed another Writ Petition before the Hon'ble High Court of Delhi against the rejection. Vide its Order dated December 18, 2014 the Hon'ble High Court of Delhi quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to grant HDFC Life a 'Letter of Appointment' to act as a Sponsor. Subsequently, the PFRDA has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the above said Order dated December 18, 2014. The Hon'ble Supreme Court, by its Order dated March 9, 2015, refused to grant the PFRDA any ad-interim relief and the matter is presently pending hearing. On March 27, 2015, complying with the High Court order, the PFRDA had issued a 'Letter of Appointment' in favour of the Sponsor, stating inter alia that such appointment is subject to the outcome of the above proceedings filed before the Hon'ble Supreme Court. The Company has obtained an opinion from its lawyers, as per which the Company stands a fairly good chance of succeeding in the matter.

It may be noted that the PFRDA (Pension Fund) Regulations, 2015 were notified in May 2015, pursuant to which re-registration of all pension funds was sought by the PFRDA. HDFC Pension has submitted its application for the same, and a revert from the PFRDA is awaited. Further, it may also be noted that the PFRDA has issued a fresh RFP on September 17, 2016 and HDFC Life is in the process of apply for being appointed as a Sponsor under the same.

It may be noted that this would not have any impact on the subscriber as the assets and funds of the subscribers of National Pension System are held by NPS Trust, while HDFC Pension acts as a Fund Manager only.

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

3. Portfolio Statement for the half year ended September 30, 2016

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|----------------------|----------------|-----------------|
| Debt Instruments | | | |
| Central Government Securities | | | |
| 1. 8.30% GOI Mat 31-Dec-2042 | 218,859,025 | 10.90% | Sovereign |
| 2. 8.13% GOI MAT 22-Jun-2045 | 196,894,068 | 9.81% | Sovereign |
| 3. 9.23% GOI MAT 23-Dec-2043 | 192,057,390 | 9.57% | Sovereign |
| 4. 8.17% GOI MAT 01-Dec-2044 | 191,144,800 | 9.52% | Sovereign |
| 5. 8.40% GOI Mat 28-JUL-2024 | 168,310,710 | 8.38% | Sovereign |
| 6. 8.32% GOI Mat 02-Aug-2032 | 157,682,686 | 7.86% | Sovereign |
| 7. 8.24% GOI MAT 10 Nov 2033 | 102,234,600 | 5.09% | Sovereign |
| 8. 8.30% GOI MAT 02-July-2040 | 101,540,625 | 5.06% | Sovereign |
| 9. 7.88%GOI 19March2030 | 95,920,513 | 4.78% | Sovereign |
| 10. 9.20% GOI Mat 30-Sep-2030 | 90,416,250 | 4.50% | Sovereign |
| 11. 8.33% GOI Mat-07-Jun-2036 | 86,068,407 | 4.29% | Sovereign |
| 12. 8.83% GOI Mat 12-Dec-2041 | 81,163,828 | 4.04% | Sovereign |
| 13. 8.24% GOI MAT 15 Feb 2027 | 69,184,073 | 3.45% | Sovereign |
| 14. 8.28% GOI Mat 15-Feb-2032 | 68,764,219 | 3.43% | Sovereign |
| 15. 8.60% GOI MAT 2JUN2028 | 33,626,556 | 1.68% | Sovereign |
| 16. 8.15% GOI Mat 24-Nov-2026 | 27,315,750 | 1.36% | Sovereign |
| 17. 8.28% GOI Mat 21-Sep-2027 | 25,473,300 | 1.27% | Sovereign |
| 18. 7.73% GOI Mat 19-Dec-2034 | 9,308,478 | 0.46% | Sovereign |
| 19. 8.26% GOI Mat 02-Aug-2027 | 2,696,670 | 0.13% | Sovereign |
| 20. 8.20% GOI Mat 24-Sep-2025 | 2,410,952 | 0.12% | Sovereign |
| 21. 8.33% GOI Mat 09-Jul-2026 | 1,863,009 | 0.09% | Sovereign |
| 22. 7.95% GOI Maturity 28-Aug-2032 | 1,679,928 | 0.08% | Sovereign |
| 23. 7.28% GOI Mat 03-Jun-2019 | 395,382 | 0.02% | Sovereign |
| 24. 7.16% GOI Mat 20-May-2023 | 131,300 | 0.01% | Sovereign |
| State Development Loans | | | |
| 1. 8.72% Andhra Pradesh SDL Mat 24-Feb-2026 | 10,924,310 | 0.54% | Sovereign |
| 2. 8.00% Tamil Nadu SDL Mat 28-Oct-2025 | 8,350,376 | 0.42% | Sovereign |
| 3. 8.24% Andhra Pradesh SDL Mat 09-Sep-2025 | 4,579,910 | 0.23% | Sovereign |
| 4. 8.44% Tamil Nadu SDL Mat 26-Nov-2024 | 4,323,768 | 0.22% | Sovereign |
| 5. 8.17% Tamil Nadu SDL Mat 26-Nov-2025 | 2,594,075 | 0.13% | Sovereign |
| 6. 9.77% Andhra Pradesh SDL Mat 28-Aug-2023 | 1,131,696 | 0.06% | Sovereign |
| 7. 9.49% Tamil Nadu SDL Mat 18-Dec-2023 | 1,120,886 | 0.06% | Sovereign |
| 8. 9.39% Maharashtra SDL 20-Nov-2023 | 1,114,866 | 0.06% | Sovereign |
| Debt Instruments Total | 1,959,282,406 | 97.61% | |
| Money Market Instruments | | | |
| Liquid Mutual Funds | | | |
| 1. Birla Sun Life Cash Plus - Growth - Direct Plan. | 15,583,700 | 0.78% | AAA |
| Money Market Instruments Total | 15,583,700 | 0.78% | |
| Cash/Cash Equivalent & Net Current Assets | 32,456,337 | 1.62% | |
| Grand Total | 2,007,322,443 | 100.00% | |
| Average Maturity of Portfolio (in yrs) # | 20.22 | | |
| Modified Duration (in yrs) # | 9.57 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 7.30% | | |
| Credit Rating Exposure | | | |
| Central Government Securities | 1,925,142,519 | 95.91% | |
| State Development Loans | 34,139,887 | 1.70% | |
| 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 | 1,959,282,406 | 97.61% | |

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

3. Portfolio Statement for the half year ended September 30, 2016

(In ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|----------------------|----------------|-----------------|
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 15,583,700 | 0.78% | |
| Cash / cash equivalent net current assets | 32,456,337 | 1.62% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 2,007,322,443 | 100.00% | |
| Units Outstanding | 136,575,339 | | |
| NAV | 14.6975 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2016 | | 13.2193 | |
| d. NAV at September 30,2016 | | 14.6975 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2016 | | - | |
| f. Total 'Infrastructure investments' September 30, 2016 | | - | |
| # Calculated on debt portfolio | | | |

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016 (UN-AUDITED)

| Sr No | Particulars | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------|--|---|---|
| 1 | NAV per unit (₹) I | | |
| | Open | 13.2193 | 12.3806 |
| | High | 14.7499 | 12.8488 |
| | Low | 13.2556 | 12.1525 |
| | End | 14.6975 | 12.8488 |
| 2 | Closing Assets Under Management (₹ in Lakhs) | | |
| | End | 20073.22 | 3504.47 |
| | Average daily net assets (AAuM) II | 15804.90 | 2439.00 |
| 3 | Gross income as % of AAuM III | 10.84% | 4.98% |
| 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 | 10.83% | 4.97% |
| 6 | Portfolio turnover ratio VII | 20.76% | 2.93% |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year | 14.39% | 16.18% |
| | Benchmark | 13.80% | 15.70% |
| b | Since inception | 46.98% | 28.49% |
| | Benchmark | 44.42% | 26.90% |
| c | Compound annualised yield (%) VIII | | |
| | Last 1 year | 14.39% | 16.18% |
| | Last 2 year | 15.28% | 14.23% |
| | Last 3 year | 14.28% | N.A. |
| | Since launch of the scheme | 12.93% | 12.28% |
| | 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 = Income includes Interest, Dividend, Realised/Unrealised Gain | | |
| 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 = Total income less Total expenses and losses | | |
| 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) | | |



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

**Un-audited Financial Statements for the half year
ended September 30, 2016**

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, 2016

(In ₹)

| Particulars | Schedule | As at | As at |
|--|----------|--------------------|--------------------|
| | | September 30, 2016 | September 30, 2015 |
| | | Amount | Amount |
| Liabilities | | | |
| Unit Capital | 1 | 34,160,700 | 6,837,645 |
| Reserves & Surplus | 2 | 17,169,807 | 2,137,942 |
| Current Liabilities and Provisions | 3 | 823,670 | 153,858 |
| Total | | 52,154,177 | 9,129,445 |
| Assets | | | |
| Investments | 4 | 50,481,671 | 8,758,380 |
| Deposits | 5 | - | - |
| Other Current Assets | 6 | 1,672,506 | 371,065 |
| Total | | 52,154,177 | 9,129,445 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 51,330,507 | 8,975,587 |
| (b) Number of units outstanding | | 3,416,070 | 683,764 |
| (c) NAV per unit (a)/(b) (₹) | | 15.0261 | 13.1267 |
| 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

Amitabh Chaudhry
(Director)**Vibha Padalkar**
(Director)**Sumit Shukla**
(Chief Executive Officer)**Fagun Pancholi**
(Chief Financial Officer)**Nagesh Pai**
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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, 2016

(In ₹)

| Particulars | Schedule | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|---|----------|---|---|
| | | Amount | Amount |
| Income | | | |
| Interest | | 1,317,942 | 231,086 |
| Profit on sale/redemption of investments | | 63,813 | 3,820 |
| Unrealised gain on appreciation in investments | | 2,465,425 | 75,055 |
| Total Income (A) | | 3,847,180 | 309,961 |
| Expenses & Losses | | | |
| Unrealised losses in value of investments | | - | - |
| Loss on sale/redemption of investments | | - | - |
| Management fees (including service tax) | | 2,044 | 336 |
| NPS Trust fees | | 1,779 | - |
| Custodian fees | | 1,266 | 230 |
| CRA fees | | 11,542 | 3,103 |
| Less : Amount recoverable on sale of units on account of CRA Charges | | (11,542) | (3,103) |
| Total Expenses & Losses (B) | | 5,089 | 566 |
| Surplus/(Deficit) for the year (A-B = C) | | 3,842,091 | 309,395 |
| Balance at the beginning of the period | | 903,082 | 104,957 |
| Less: Amount transferred to Unrealised appreciation account | | (2,465,425) | (75,055) |
| Less: Amount transferred to General Reserve | | - | - |
| Balance at the end of the period carried to Balance Sheet | | 2,279,748 | 339,297 |
| Total income (including net unrealised gain/loss) expressed as a percentage of average net assets, calculated on a daily basis. | | 10.84% | 5.24% |
| Total expenditure expressed as a percentage of average net assets, calculated on a daily basis. | | 0.01% | 0.01% |
| 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

Amitabh Chaudhry
(Director)

Vibha Padalkar
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 14, 2016

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Initial capital | | |
| Unit capital | | |
| Outstanding units at the beginning of the period | 17,424,438 | 2,339,290 |
| Add :Units issued during the period | 18,276,109 | 4,671,430 |
| Less: Units redeemed during the period | (1,539,847) | (173,075) |
| Outstanding at the end of the period | 34,160,700 | 6,837,645 |
| (Face Value of Rs.10/- each unit, fully paid up) | | |
| Outstanding units at the beginning of the period | 1,742,444 | 233,929 |
| Add :Units issued during the period | 1,827,611 | 467,143 |
| Less: Units redeemed during the period | (153,985) | (17,308) |
| Outstanding Units at the end of the period | 3,416,070 | 683,764 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Unit premium reserve | | |
| Opening balance | 4,979,476 | 410,709 |
| Add: Premium on Units issued | 7,855,574 | 1,253,169 |
| Less: Premium on Units redeemed | (653,544) | (45,012) |
| Closing balance | 12,181,506 | 1,618,866 |
| General Reserve | | |
| Opening balance | - | - |
| Add: Transfer from Revenue Account | - | - |
| Closing balance | - | - |
| Unrealised Appreciation Reserve | | |
| Opening balance | 243,128 | 104,724 |
| Change in net unrealised appreciation in value of investments | 2,465,425 | 75,055 |
| Closing balance | 2,708,553 | 179,779 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 903,082 | 104,957 |
| Add: Surplus during the period | 1,376,666 | 234,340 |
| Less: Deficit during the period | - | - |
| Closing balance | 2,279,748 | 339,297 |
| Total | 17,169,807 | 2,137,942 |

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Current liabilities & Provisions | | |
| Sundry creditors for expenses | 3,963 | 402 |
| Redemption Payable | 30,556 | 482 |
| TDS Payable | 40 | 7 |
| Contracts for purchase of investments | 788,922 | 152,944 |
| Provisions* | 189 | 23 |
| Total | 823,670 | 153,858 |

* The Provision referred above is towards TDS payable on Custodian fees.

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 | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Central and state government securities (including treasury bills) | 50,327,271 | 8,748,380 |
| Others - Mutual funds | 154,400 | 10,000 |
| Total | 50,481,671 | 8,758,380 |

Schedule 5: Deposits**(In ₹)**

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|-------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Deposits with scheduled banks | - | - |
| Total | - | - |

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

| Particulars | As at September 30, 2016 | As at September 30, 2015 |
|---|-----------------------------|-----------------------------|
| | Amount | Amount |
| Balances with banks in current account | 123 | 968 |
| Outstanding and accrued income | 883,461 | 136,153 |
| Application money pending allotment | - | 81,000 |
| Sundry debtors - Margin Money for Investments | 788,922 | 152,944 |
| Total | 1,672,506 | 371,065 |

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, 2016

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

1.3 Investments

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

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

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

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

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 securities are valued at the aggregated prices received from independent valuation agencies CRISIL & ICRA on the particular valuation day.

Treasury bills are valued at amortised cost. If they are traded, then they are valued at the last traded price on National Stock Exchange (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 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

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS 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 | As at September 30, 2016 | As at September 30, 2015 |
|--|-----------------------------|-----------------------------|
| | Amount | Amount |
| 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 |
| Mr. Amitabh Chaudhry | Key Management Personnel |
| Ms. Vibha Padalkar | Key Management Personnel |
| 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, 2016

(In ₹)

| Nature of Transaction | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|----------------------------|---|---|
| | Amount | Amount |
| Investment management fees | 2,044 | 336 |

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

| Nature of Transaction | As at September 30, 2016 | As at September 30, 2015 |
|------------------------------------|-----------------------------|-----------------------------|
| | Amount | Amount |
| Investment management fees payable | 1,213 | 222 |

Aggregate investments made in the Associates and group companies as at September 30, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | 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, 2016 are as follows:

(In ₹)

| Name of the Company | Asset type | As at September 30, 2016 | | As at September 30, 2015 | |
|---------------------|------------|--------------------------|--------------|--------------------------|--------------|
| | | 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.

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

Notes to accounts (Un-audited)

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, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 35,485,323 | 5,909,727 |
| Purchase of Investment | 103,686,682 | 17,243,668 |
| % to average Net Assets Value | 292.00% | 292.00% |
| Sale of Investment | 78,322,628 | 11,366,620 |
| % to average Net Assets Value | 221.00% | 192.00% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2016 is as follows :

(In ₹)

| Particular | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------------------------------|---|---|
| Average Net Asset Value | 35,485,323 | 5,909,727 |
| Purchase of Investment | 26,860,881 | 5,920,868 |
| % to average Net Assets Value | 76.00% | 100.00% |
| Sale of Investment | 1,336,798 | - |
| % to average Net Assets Value | 4.00% | 0.00% |

*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, 2016 | | As at September 30, 2015 | |
|-------------------------------|--------------------------|---------------------------------|--------------------------|---------------------------------|
| | Market value | % of Industry Classification | Market value | % of Industry Classification |
| Central Government Securities | 49,686,713 | 96.80% | 8,748,380 | 97.47% |
| State Development Loans | 640,558 | 1.25% | - | 0.00% |
| Mutual Funds | 154,400 | 0.30% | 10,000 | 0.11% |
| Net Current Assets | 848,836 | 1.65% | 217,207 | 2.42% |
| Net Asset Value | 51,330,507 | 100.00% | 8,975,587 | 100.00% |

Note :

1. Industry classification has been taken at sub class level of National Industrial Classification (NIC) 2008.
2. Previous year figures have been reclassified/regrouped wherever applicable to conform to current years presentation.

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

(In ₹)

| Security Name | Asset Type | Ageing | As at September 30, 2016 | As at September 30, 2015 |
|---|---------------------|------------------|-----------------------------|-----------------------------|
| Birla Sun Life Cash Plus - Growth - Direct Plan | Liquid Mutual Funds | Less than 7 Days | NIL | 81,000 |

2.8 Prior Year Comparatives :

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

2.9 Note on status of litigation matters with PFRDA

The wholly-owned subsidiary of HDFC Life, HDFC Pension Management Company Limited, is engaged in the business of management of private sector pension funds under the National Pension System, to which HDFC Life acts as the Sponsor. The Company has been in the business from August 2013. However, in January 2014, a fresh Request for Proposal (RFP) was floated by the PFRDA seeking bids from Sponsors for selection of pension fund managers afresh to manage the pension funds. In response to the RFP, HDFC Life (the Sponsor) had submitted its technical and commercial bid. The technical bid made under RFP was opened in April 2014 and the bid submitted by the Sponsor was not accepted by the PFRDA on technical grounds of not having profitability for a period of 3 years. The Sponsor, therefore, filed a Writ Petition before the Hon'ble High Court of Delhi, challenging the said rejection. The Hon'ble High Court of Delhi by its Order dated May 15, 2014 quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to evaluate the bid in accordance with the steps set out in the RFP. While the PFRDA cleared the Sponsor's technical and commercial bid and the Sponsor even agreed to match the lowest commercial bid, the PFRDA declined to grant the Sponsor a 'Letter of Appointment'. The Sponsor therefore filed another Writ Petition before the Hon'ble High Court of Delhi against the rejection. Vide its Order dated December 18, 2014 the Hon'ble High Court of Delhi quashed and set aside the PFRDA's rejection of the Sponsor's bid and directed the PFRDA to grant HDFC Life a 'Letter of Appointment' to act as a Sponsor. Subsequently, the PFRDA has filed a Special Leave Petition before the Hon'ble Supreme Court of India challenging the above said Order dated December 18, 2014. The Hon'ble Supreme Court, by its Order dated March 9, 2015, refused to grant the PFRDA any ad-interim relief and the matter is presently pending hearing. On March 27, 2015, complying with the High Court order, the PFRDA had issued a 'Letter of Appointment' in favour of the Sponsor, stating inter alia that such appointment is subject to the outcome of the above proceedings filed before the Hon'ble Supreme Court. The Company has obtained an opinion from its lawyers, as per which the Company stands a fairly good chance of succeeding in the matter.

It may be noted that the PFRDA (Pension Fund) Regulations, 2015 were notified in May 2015, pursuant to which re-registration of all pension funds was sought by the PFRDA. HDFC Pension has submitted its application for the same, and a revert from the PFRDA is awaited. Further, it may also be noted that the PFRDA has issued a fresh RFP on September 17, 2016 and HDFC Life is in the process of applying for being appointed as a Sponsor under the same.

It may be noted that this would not have any impact on the subscriber as the assets and funds of the subscribers of National Pension System are held by NPS Trust, while HDFC Pension acts as a Fund Manager only.

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|--|-------------------|----------------|-----------------|
| <u>Debt Instruments</u> | | | |
| Central Government Securities | | | |
| 1. 8.13% GOI MAT 22-Jun-2045 | 8,089,550 | 15.76% | Sovereign |
| 2. 8.17% GOI MAT 01-Dec-2044 | 7,223,755 | 14.07% | Sovereign |
| 3. 8.40% GOI Mat 28-JUL-2024 | 4,810,110 | 9.37% | Sovereign |
| 4. 8.30% GOI Mat 31-Dec-2042 | 4,510,000 | 8.79% | Sovereign |
| 5. 9.23% GOI MAT 23-Dec-2043 | 3,816,120 | 7.43% | Sovereign |
| 6. 7.88%GOI 19March2030 | 3,469,716 | 6.76% | Sovereign |
| 7. 8.28% GOI Mat 15-Feb-2032 | 2,822,001 | 5.50% | Sovereign |
| 8. 8.83% GOI Mat 12-Dec-2041 | 2,790,155 | 5.44% | Sovereign |
| 9. 8.30% GOI MAT 02-July-2040 | 2,459,889 | 4.79% | Sovereign |
| 10. 8.33% GOI Mat-07-Jun-2036 | 2,240,198 | 4.36% | Sovereign |
| 11. 9.20% GOI Mat 30-Sep-2030 | 2,079,750 | 4.05% | Sovereign |
| 12. 8.60% GOI MAT 2JUN2028 | 1,481,886 | 2.89% | Sovereign |
| 13. 8.32% GOI Mat 02-Aug-2032 | 1,428,546 | 2.78% | Sovereign |
| 14. 8.15% GOI Mat 24-Nov-2026 | 612,750 | 1.19% | Sovereign |
| 15. 8.24% GOI MAT 10 Nov 2033 | 530,400 | 1.03% | Sovereign |
| 16. 8.24% GOI MAT 15 Feb 2027 | 390,564 | 0.76% | Sovereign |
| 17. 7.73% GOI Mat 19-Dec-2034 | 371,490 | 0.72% | Sovereign |
| 18. 8.28% GOI Mat 21-Sep-2027 | 218,000 | 0.42% | Sovereign |
| 19. 8.26% GOI Mat 02-Aug-2027 | 119,130 | 0.23% | Sovereign |
| 20. 8.12% GOI Mat 10-Dec-2020 | 115,049 | 0.22% | Sovereign |
| 21. 8.20% GOI Mat 24-Sep-2025 | 64,579 | 0.13% | Sovereign |
| 22. 7.95% GOI Maturity 28-Aug-2032 | 43,075 | 0.08% | Sovereign |
| State Development Loans | | | |
| 1. 8.44% Tamil Nadu SDL Mat 26-Nov-2024 | 640,558 | 1.25% | Sovereign |
| Debt Instruments Total | 50,327,271 | 98.05% | |
| <u>Money Market Instruments</u> | | | |
| Liquid Mutual Funds | | | |
| 1. Birla Sun Life Cash Plus - Growth - Direct Plan. | 154,400 | 0.30% | AAA |
| Money Market Instruments Total | 154,400 | 0.30% | |
| Cash/Cash Equivalent & Net Current Assets | 848,836 | 1.65% | |
| Grand Total | 51,330,507 | 100.00% | |
| Average Maturity of Portfolio (in yrs) # | 21.17 | | |
| Modified Duration (in yrs) # | 9.76 | | |
| Yield to Maturity (%) (annualised) (at market price) # | 7.30% | | |
| <u>Credit Rating Exposure</u> | | | |
| Central Government Securities | 49,686,713 | 96.80% | |
| State Development Loans | 640,558 | 1.25% | |
| 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 | 50,327,271 | 98.05% | |

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

3. Portfolio Statement for the half year ended September 30, 2016

(in ₹)

| Name of the instrument | Market value | % of Portfolio | Rating (if any) |
|---|---------------------|-----------------------|------------------------|
| Bank FD | - | - | |
| Equity | - | - | |
| Equity Mutual Funds | - | - | |
| Gilt / Money Market Mutual Funds | 154,400 | 0.30% | |
| Cash / cash equivalent net current assets | 848,836 | 1.65% | |
| Application Pending Allotment - NCDs | - | - | |
| Others | - | - | |
| Grand Total | 51,330,507 | 100.00% | |
| Units Outstanding | 3,416,070 | | |
| NAV | 15.0261 | | |
| Notes: | | | |
| a. Total NPAs provided for and its percentage to NAV | | - | |
| b. Total value and percentage of illiquid equity shares | | - | |
| c. NAV at March 31,2016 | | 13.5155 | |
| d. NAV at September 30,2016 | | 15.0261 | |
| e. Total outstanding exposure in derivative instruments at September 30, 2016 | | - | |
| f. Total 'Infrastructure investments' September 30, 2016 | | - | |
| # Calculated on debt portfolio | | | |

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016 (UN - AUDITED)

| Sr No | Particulars | For the half year ended September 30, 2016 | For the half year ended September 30, 2015 |
|-------|--|---|---|
| 1 | NAV per unit (₹) I Open High Low End | 13.5155 15.0815 13.5516 15.0261 | 12.6520 13.1267 12.4358 13.1267 |
| 2 | Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II | 513.31 354.85 | 89.76 59.10 |
| 3 | Gross income as % of AAuM III | 10.84% | 5.24% |
| 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 | 10.83% | 5.24% |
| 6 | Portfolio turnover ratio VII | 3.77% | - |
| 7 | Total dividend per unit distributed during the period | N.A. | N.A. |
| 8 | Returns: (%) | | |
| a | Last one year Benchmark | 14.47% 13.80% | 15.69% 15.70% |
| b | Since inception Benchmark | 50.26% 44.42% | 31.27% 26.90% |
| c | Compound annualised yield (%) VIII Last 1 year Last 2 years Last 3 years Since launch of the scheme | 14.47% 15.08% 14.20% 13.72% | 15.69% 14.07% N.A. 13.39% |
| | 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 = Income includes Interest, Dividend, Realised/Unrealised Gain | | |
| 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 = Total income less Total expenses and losses | | |
| 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) | | |