

**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on Financial Statements**

We have audited the accompanying financial statements of **NPS Trust A/c SBI Pension Fund Scheme E Tier I under the National Pension System Trust (NPS Trust)** managed by **SBI Pension Funds Pvt. Ltd. (SBIPFM)** which comprise of the Balance Sheet as at 31<sup>st</sup> March, 2017, and Revenue Account for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 and a summary of significant accounting policies and other explanatory information.

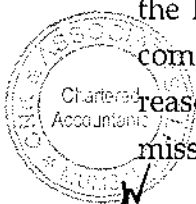
**Management's Responsibility for the Financial Statements**

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (Pension Fund) Regulations, 2015 (as amended), Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) executed with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility includes design, implementation and maintenance of adequate internal controls, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the SBIPFM.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the PFM's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

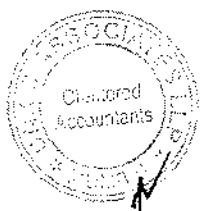
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by Schedule VII of PFRDA (Pension Fund) Regulations, 2015 (as amended) and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31<sup>st</sup> March, 2017;
- b) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date;

#### **Emphasis of Matter**

Without modifying our opinion, we invite attention to the following:

Rs. 6,80,78,121.26 is lying with Trustee Bank as on 31<sup>st</sup> March 2017 (Previous Year: Rs. 6,04,63,630.02) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the subscription received pending allotment as well as balances with bank are understated by the said amount.



## Report on Other Legal and Regulatory Requirements

As required by the Schedule VII PFRDA (Pension Fund) Regulations, 2015 (as amended), we report that:

- a) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- b) The Balance Sheet and Revenue account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by the PFRDA have been maintained by SBIPFM so far as appears from our examination of those books.
- d) All transaction expenses in excess of the limits contractually agreed to/approved by the Authority (if any) are borne by the Pension Fund and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards notified under the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA (Pension Fund) Regulations, 2015 (as amended).

We further certify that:

- a) Investments have been valued in accordance with the guidelines issued by PFRDA read with note no 1.5.6
- b) Transaction and claims/fee raised by different entities are in accordance with the prescribed fee.

**C N K & Associates LLP**

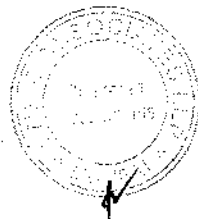
**Chartered Accountants**

**FRN: T01961W/W-100036**

**Hiren Shah**

**Partner**

**Membership No.: 100052**



Place: Mumbai

Date: 13/07/2019

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C SBI PENSION FUND SCHEME – E- TIER I**  
**BALANCE SHEET AS AT MARCH 31, 2017**

Schedules	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<b>Liabilities</b>		
Unit Capital	2	4,990,173,987
Reserves and Surplus	3	5,272,996,599
Current Liabilities and Provisions	4	10,220,254
<b>Total</b>	<b>10,273,390,840</b>	<b>5,515,944,395</b>
<b>Assets</b>		
Investments	5	9,796,174,860
Deposits	6	-
Other Current Assets	7	477,215,980
<b>Total</b>	<b>10,273,390,840</b>	<b>5,515,944,395</b>
(a) Net assets as per Balance Sheets	10,263,170,586	5,398,177,324
(b) Number of units outstanding	499,017,399	319,755,079
Significant Accounting Policies and Notes to Accounts	1,11	

This is the Balance Sheet referred to in our report of even date.

For CN K & ASSOCIATES LLP  
Chartered Accountants  
FRN 101961W/W100036

Hiren Shah  
Partner  
Membership No.: 100052



For SBI PENSION FUNDS PVT. LTD.

Kumar Sharadindu  
MD & CEO

Mayur Kisnadwala  
Director



Place: Mumbai  
Date: 13/07/2017

Place: Mumbai  
Date: 24 APR 2017

For and on Behalf of NPS Trust

*Shailish V. Haribhakti*

Shailish V. Haribhakti  
(Chairman, NPS Trust Board)

*Kamal Chaudhry*

Kamal Chaudhry  
(Chief Executive Officer)

Place: Mumbai  
Date: 13 JUL 2017



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C SBI PENSION FUND SCHEME - E-TIER I**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	Schedules	Year ended March 31, 2017 ₹	Year ended March 31, 2016 ₹
<b>Income</b>			
Dividend		91,239,110	63,927,160
Interest	8	2	22,829
Profit on sale/redemption of investments	9	46,401,103	44,823,973
Profit on inter-scheme transfer/sale of investments		-	-
Unrealized gain on appreciation in investments		1,310,669,524	-
Other income		-	-
<b>Total Income (A)</b>		<b>1,448,309,739</b>	<b>108,773,962</b>
<b>Expenses and Losses</b>			
Unrealized losses in value of investments		-	308,644,949
Loss on sale/redemption of investments	10	-	55,959,894
Loss on inter-scheme transfer/sale of investments		-	-
Management fees (including service Tax)		844,190	467,110
NPS Trust fees		734,474	180,128
Custodian fees (including service Tax)		356,738	354,266
Depository and settlement charges		60,534	-
CRA Fees		10,694,402	4,813,703
Less: Amount recoverable on sale of units on account of CRA Charges		(10,694,402)	(4,813,703)
<b>Total Expenditure (B)</b>		<b>1,995,936</b>	<b>365,606,347</b>
<b>Surplus/(Deficit) for the year (A - B)</b>		<b>1,446,313,803</b>	<b>(256,832,385)</b>
Less: Amount transferred to Unrealised appreciation account		1,310,669,524	605,659,955
Less: Amount transferred to General Reserve		135,644,279	(862,492,340)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

1,11

This is the Revenue Account referred to in our report of even date.

For C N K & ASSOCIATES LLP  
Chartered Accountants  
FRN 101361W/W100036

Hiren Shah  
Partner

Membership No.: 100052



Place: Mumbai

Date: 13/07/2017



For SBI PENSION FUNDS PVT. LTD.

Kumar Sharadindu  
MD & CEO

Mayur Kisnadwala  
Director

Place: Mumbai

Date: 24 APR 2017

For and on Behalf of NPS Trust

Shallesh V. Haribhakti  
(Chairman, NPS Trust Board)

Kamal Chaudhry  
(Chief Executive Officer)

Place: Mumbai

Date: 13 JUL 2017



**Note 1 Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017**

**A. Background and Introduction:**

**1.1 Background:**

National Pension System Trust (NPS) has been established by Pension Fund Regulatory and Development Authority (PFRDA) as a Trust in accordance with the Indian Trusts Act, 1882 and is sponsored by Government of India. SBI Pension Fund Private Ltd (SBIPF), a Company incorporated under the Companies Act, 2013 has been appointed as the Fund Manager of the NPS vide the PFRDA Pension Fund Regulation 2015.

The key features of the Schemes presented in these financial statements are as under:-

Type and Scheme Name	Investment Criteria & Objective
NPS Trust A/c SBI Pension Fund Scheme E – Tier I	This asset class will be invested in large cap growth Companies and build a portfolio representing a cross-section of Companies with sound fundamentals and growth prospects and Liquid Funds to the limit of 5% of scheme corpus. Contributions of Fund by investor for retirement are non-withdrawable. The investment objective is to optimize the returns.

**1.2 Central Recordkeeping Agency:**

National Securities Depository Limited (NSDL) and Karvy Computershare Private Limited (Karvy) have been appointed as Central Recordkeeping Agency (CRA) for NPS Schemes who maintains the accounts of individual subscribers and CRA collects the necessary charges from these individual subscribers.

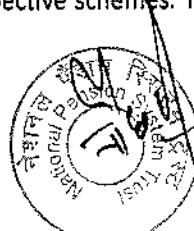
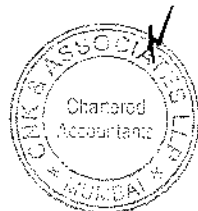
CRA's responsibilities includes:

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

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

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

**1.4** The trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a schemes account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the



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respective schemes only.

**B. Significant Accounting Policies:**

**1.5.1 Basis of Preparation of Financial statements:**

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

The Financial Statements of the scheme have been prepared in accordance with Schedule VII of PFRDA Pension Fund Regulation 2015.

**1.5.2 Use of Estimates:**

The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

**1.5.3 Accounting of Unit Capital:**

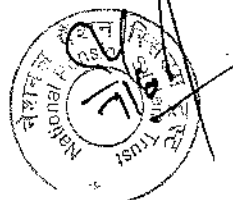
Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) which is net of charges as provided in the National Pension System offer document and the Investment Management Agreement. All the units are recorded at face value of Rs. 10/- each.

**1.5.4 Unit Premium Reserve:**

When units are issued or redeemed the net premium or discount to the face value is transferred to the Unit Premium Reserve.

**1.5.5 Investments:**

- (i) The investments are undertaken as per the guidelines specified in the Investment Management agreement with respect to the individual schemes.
- (ii) Purchase and sale of investments are recorded as on the trade date at cost and sale price respectively.
- (iii) Rights/bonus entitlements if any are accounted on ex-right/ex-bonus bonus date of the principal stock exchange.
- (iv) The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.



(v) **Valuation of Investments**

- The investments under the schemes are marked to market and carry investments in the financial statements at market value. Unrealised Gain / Loss, if any arising out of appreciation / depreciation in value of investments is transferred to Revenue Account.
- As per the directives issued by the PFRDA the valuation of investments is carried out by the Stock Holding Corporation of India Limited (SHCIL) as centralized valuation provider appointed by NPS and provided to SBIPF on a daily basis. Any deviations from the guidelines issued by PFRDA are mentioned in point '1.5.6'.

a) **Equity**

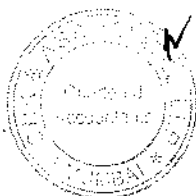
- 1 Equity traded on valuation day (Actively Traded equity): Where a security is traded on any stock exchange on a particular valuation day, the last quoted closing price at which it was traded on the selected stock exchange, as the case may be, may be used (Closing prices from BSE/NSE for the day).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

b) **Debt Securities other than Government Securities**

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

c) **Government Securities**

- 1 Central Government securities are valued at the aggregated prices received from independent valuation agencies.
- 2 State Government securities with a residual maturity over 91 days are valued at the aggregated prices received from independent valuation agencies. State Government securities with a residual maturity upto 91 days are valued at last valuation price plus the difference between the redemption value and last valuation price, spread uniformly over the remaining maturity period of the instrument.





**d) Mutual Fund Units**

Mutual Fund Units are valued based on the net assets values of the preceding day of the valuation date.

1.5.6 The valuation Policy of the Scheme, as advised by SHCIL, is at variance with PFRDA guidelines. The details of the variation are as under:

<b>PFRDA Guidelines:</b>	<b>Valuation Policy:</b>
1. <b>Securities traded at a stock exchange:</b> Debt securities (other than government securities) are valued at the last quoted closing price on the Principal exchange on which the security is traded.	Debt securities (other than government securities) are valued at the NSE weighted average traded price on that day.
2. <b>Securities not traded at a stock exchange:</b> When a debt security (Other than government Security) is not traded on any stock exchange on a particular valuation date, the value at which was traded on any other stock exchange on the earliest previous day is used, provided that such day is not more than 15 days.	a. With residual maturity over 60 days are valued on a yield to maturity basis, based on average of spreads provided by CRISIL and ICRA. b. With residual maturity up to 60 days are valued at last traded price plus the difference between the redemption value and last traded price, spread uniformly over remaining maturity period of the instrument.
3. Valuation of G-sec at YTM based on prevailing market prices.	Government securities are valued at average price provided by SHCIL (CRISIL and ICRA).

1.5.7 **Non Performing Investments:**

Investments are classified as non-performing based on PFRDA (Identification, Income Recognition and provisioning of NPA) Guidance Note 2013. An investment is regarded as non-performing if interest/ principal or both amounts have not been received or remained outstanding for one quarter from the day such income/instruments has fallen due.

Provision are made for Non-performing investments as per the extant guidelines prescribed by PFRDA as shown below:

<b>Period due from the date of classification of assets as NPS</b>	<b>% Provision on Book Value</b>
3 Months	50%
6 Months	75%
9 Months	100%



**1.5.8 Income Recognition:**

- a) Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration net of expenses and the weighted average book cost.
- b) Realised gain / loss on debt securities is the difference between the Sale consideration net of expenses and the weighted average amortised cost as on the date of Sale.
- c) Interest income is accounted on accrual basis.
- d) Other income of a miscellaneous nature is accounted for as and when realised.
- e) Dividend is accounted on accrual basis and recognised on the date the share is quoted on ex-dividend basis.
- f) Income on non-performing assets (NPA) is recognized on receipt basis.

**1.5.9 Income Taxes:**

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

**1.5.10 Fees**

**a) Investment Management Fees:**

The Schemes have paid/provided for Investment Management Fees to the PFM for managing the Scheme and the same are recognized on an accrual basis in accordance with the terms as specified in the IMA.

**b) NPS Trust Fees**

The Schemes have paid/provided for NPS Trust Fees to the PFM and the same are recognized on an accrual basis in accordance with the terms as specified in the IMA.

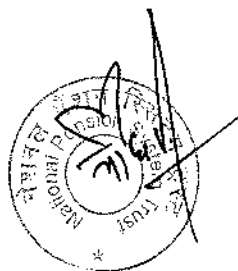
**1.5.11 Custodian Fees and Depository & Settlement Charges:**

Custodian Fees and Depository & Settlement charges are charged by Stock Holding Corporation of India Ltd (SHCIL, Custodian) in accordance with the terms specified in the IMA. The PFRDA (Preparation of Financial Statements and Auditors Report of schemes under National Pension System) PFRDA Pension Fund Regulation 2015 specify that the custodian charges should be accrued on a day to day basis.

**1.5.12 Computation of Net Asset Value:**

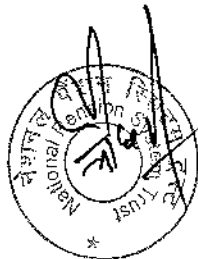
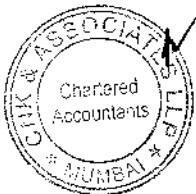
The NAV of the Scheme is computed by dividing Net Assets by number of units under the Scheme. Net assets are derived by deducting Gross Liabilities, Investment Management Fees and Custodian Charges as per IMA from Gross Assets.

**1.5.13** The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The net change in unrealized gain or loss between two balance sheet dates is recognized in the revenue account. Later, the change in unrealized gain (net) in the value of investment is transferred from/to unrealized appreciation reserve through appropriation account.



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C SBI PENSION FUND SCHEME – E- TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017**

Schedule 2 - Unit Capital	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<b>Unit Capital</b>		
Outstanding at the beginning of the year	3,197,550,794	2,043,836,826
Add: Units issued during the year	2,014,756,293	1,268,470,350
Less: Units redeemed during the year	222,133,100	114,756,382
Outstanding at the end of the year	<u>4,990,173,987</u>	<u>3,197,550,794</u>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	319,755,079.38	204,383,682.60
Add :Units issued during the year	201,475,629.31	126,847,034.99
Less: Units redeemed during the year	22,213,310.01	11,475,638.21
Outstanding Units at the end of the year	<u>499,017,398.69</u>	<u>319,755,079.38</u>
<b>Schedule 3 - Reserve and Surplus</b>		
	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	1,367,545,546	582,700,390
Add: Premium on Units issued	1,829,306,434	870,589,531
Less: Premium on Units redeemed	203,250,168	85,744,375
Add: Transfer from General Reserve	-	-
Closing Balance	<u>2,993,601,812</u>	<u>1,367,545,546</u>
<b>General Reserve</b>		
Opening Balance	227,421,029	1,089,913,369
Add: Transfer from Revenue Account	135,644,279	(862,492,340)
Less: Transfer to Unit Premium Reserve	-	-
Closing Balance	<u>363,065,308</u>	<u>227,421,029</u>
<b>Unrealised Appreciation Account</b>		
Opening Balance	605,659,955	-
Add : Adjustment for Previous years unrealised appreciation reserve	-	914,304,904
Add/(Less): Transferred from/(to) Revenue Account	1,310,669,524	(308,644,949)
Closing Balance	<u>1,916,329,479</u>	<u>605,659,955</u>
<b>Total</b>	<u><u>5,272,996,599</u></u>	<u><u>2,200,626,530</u></u>

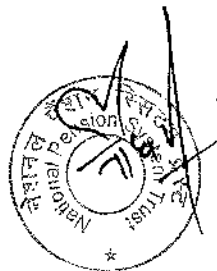
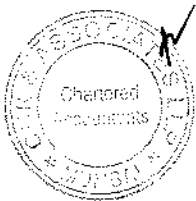


Schedule 4 - Current Liabilities and Provisions	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<b>Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
<b>Sundry Creditors for expenses</b>		
NPS Trust Fee Payable	221,071	110,193
Management Fee Payable	233,536	116,527
Custodial Charges Payable	582,197	237,383
Depository and settlement charges payable	54,539	-
TDS Payable	15,618	33,935.00
Book Overdraft	-	-
Redemption Payable	9,113,293	19,531,219
Contract for Purchase of Investments	-	97,737,814
Amount Payable to Other Schemes	-	-
Provision for NPA and Interest Overdue	-	-
Interest received in Advance	-	-
	<u>10,220,254</u>	<u>117,767,071</u>

Schedule 5 - Investments	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	9,796,174,860	5,167,913,630
Debentures and Bonds Listed/Awaiting Listing	-	-
Central and State Government Securities (including treasury bills)	-	-
Commercial Paper	-	-
Others - Mutual Fund Units	-	-
<b>Total</b>	<u>9,796,174,860</u>	<u>5,167,913,630</u>

Schedule 6 - Deposit	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Deposit with Scheduled Banks	-	-
	<u>-</u>	<u>-</u>

Schedule 7 - Other Current Assets	As at March 31, 2017 ₹	As at March 31, 2016 ₹
<b>Other Current Assets</b>		
Balances with bank in a current account	793,941	158,627
Contracts for sale of investments	-	-
Outstanding and accrued income	-	-
Dividend Receivable	422,039	847,709
Brokerage receivable from PFM	-	24,429
Application money pending allotment	476,000,000	347,000,000
Sundry Debtors	-	-
	<u>477,215,980</u>	<u>348,030,765</u>

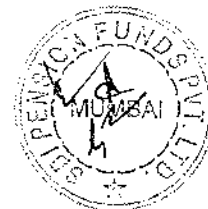
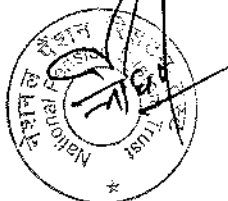
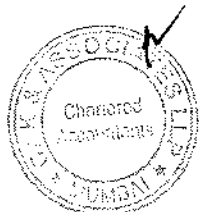


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C SBI PENSION FUND SCHEME – E- TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017**

Schedule 8 - Interest Income	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Other Interest	-	22,819
Bank interest	2	10
	2	22,829

Schedule 9 - Realised Gains on sale of investments	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Profit on Sale of Equity Shares	31,000,948	38,184,807
Profit on Sale of Corp Bonds	-	3,330,401
Profit on Sale of Mutual Fund Scheme Units	15,400,155	3,308,765
	46,401,103	44,823,973

Schedule 10 - Realised losses on sale of investments	For the year ended March 31, 2017 ₹	For the year ended March 31, 2016 ₹
Loss on Sale of Equity Shares	-	55,959,894
	-	55,959,894



# NPS TRUST A/C - SBI PENSION FUND SCHEME E TIER I

**Note 11 Notes to Accounts:**

**11.1 Investments:**

11.1.1 All the investments of the Scheme are in the name of the NPS Trust

11.1.2 As at the end of the financial year, there are no open positions of derivatives in the Scheme.

11.1.3 The Schemes Investments in Associates and Group Companies comprise the following:

Sr. No.	Security Particulars	No. of Shares as on 31.03.2017	Mkt. value as on 31.03.2017 (Rs. in Crs.)	No. of Shares as on 31.03.2016	Mkt. value as on 31.03.2016 (Rs. in Crs.)
1	Equity - State Bank of India	16,38,030	48.06	11,33,580	22.02

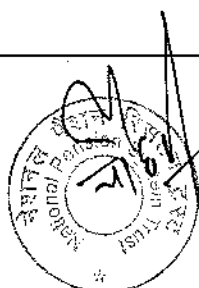
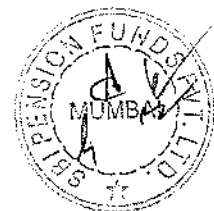
11.1.4 There are no open positions of Securities Borrowed and / or Lent by the Scheme.

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

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

Particulars	As on 31.03.2017		As on 31.03.2016	
	Rs. in Crs	% to net Assets	Rs. in Crs	% to net Assets
Unrealized Gain	196.14	19.11%	68.40	12.67%
Unrealized Loss	4.50	0.44%	7.83	1.45%
Net Unrealized Gain / (Loss)	191.63	18.67%	60.57	11.22%

11.1.7 Till Financial Year 2014-15 change in unrealized gain (net) is not transferred to unrealized appreciation reserve through appropriation account is amounting to Rs. 91,43,04,904/- same is reclassified and shown in Financial Year 2015-16 as "Less: Adjustment for Previous years unrealized appreciation reserve" in Reserve & Surplus Account.



## NPS TRUST A/C - SBI PENSION FUND SCHEME E TIER I

- 11.1.8 The Schemes Aggregate value of Purchase and Sale with percentage to average assets are set out below:

Particulars	As on 31.03.2017		As on 31.03.2016	
	Rs. in Crs	% to AAuM	Rs. in Crs	% to AAuM
Aggregate value of Purchase*	5,516.39	751.17	1,214.77	296.36%
Aggregate value of Sales*	5,189.19	706.61	1,042.45	254.32%
Aggregate value of Purchase & Sales	10705.58	1457.78	2257.22	550.68%

\*Including Mutual Funds

- 11.1.9 There are no Non-traded Securities – held in the Scheme

- 11.2 Following are the transactions with Associates and Group Companies under the scheme.

Sr. No.	Name of Related Party	Nature of Transaction	FY 2016-17	FY 2015-16
			Amount (Rs. in crores)	Amount (Rs. in crores)
1	SBI	Equity Investments	13.97	14.88
2	SBI	Equity Disinvestments	2.57	0.00
3	SBI	Dividend Received	0.35	0.14
4	SBIPFPL	Management Fees Paid	0.07	0.05

- 11.3 **Unit Capital:**

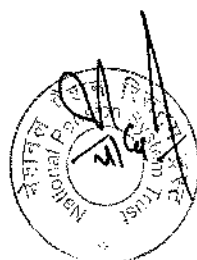
Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.

Based on the confirmation from CRA the number of units as at the year end are 49,90,17,274.9894 (PY 31,97,55,079.3819) and the balance 123.6971 (PY 79.7340) have been identified as residual units with CRA.

- 11.4 **Unit NAV:**

Particulars	As on 31.03.2017	As on 31.03.2016
NAV per Unit (Rs.)	20.5668	16.8822

- 11.5 Rs. 6,80,78,121.26 is lying with the Trustee Bank as on 31<sup>st</sup> March, 2017 (PY Rs. 6,04,63,630.02) the units in respect of which have been allotted in the next financial year on receipt of funds by the PFM. Accordingly, the said amount is not included in the subscription received pending allotment as well as balance with bank, on account of the manner in which the PFM operates in the manner as stated in Note 1.1



# NPS TRUST A/C - SBI PENSION FUND SCHEME E TIER I

- 11.6 Details of Sectoral Classification of Investments have been appended as part of Notes to Accounts.
- 11.7 The Scheme has no contingent liability as at the end of financial year.
- 11.8 Previous year figures have been regrouped / reclassified to confirm to this year's classifications.

For C N K & ASSOCIATES LLP  
Chartered Accountants

FRN: 161961W/ W100036



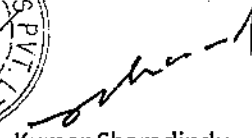
Hiren Shah

Partner

Membership No. 100052

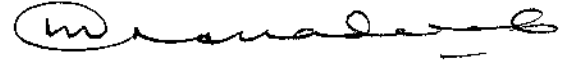


For SBI Pension Funds Private Limited



Kumar Sharadindu

MD & CEO



Mayur Kisnadwala

Director

24 APR 2017

Place: Mumbai

Date: 13/07/2017.

For and on Behalf of NPS Trust



Shailesh V. Haribhakti  
(Chairman, NPS Trust Board)

Date: 13 JUL 2017

Place: Mumbai



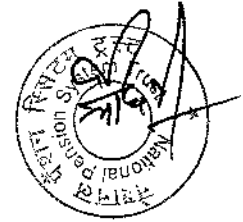
Kamal Chaudhry  
(Chief Executive Officer)



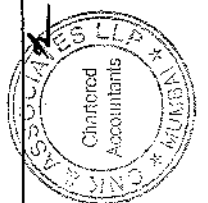


**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C SBI PENSION FUND SCHEME -- E-TIER I**  
**NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017 (Refer Schedule 5)**

Sr. No.	Security Description	As on 31.03.2017			As on 31.03.2016		
		No. of Units	Mkt. Value (Rs.)	% to Asset Class	No. of Units	Mkt. Value (Rs.)	% to Asset Class
1	Acc Ltd.	47940	69,323,637	0.71%	13,020	17,992,338	0.35%
2	Ambuja Cements Ltd	142000	33,604,300	0.34%	55,000	12,790,250	0.25%
3	Asian Paints Limited	107634	115,545,099	1.18%	63,334	54,999,245	1.06%
4	Axis Bank Equity	557875	273,805,050	2.80%	482,375	214,246,856	4.15%
5	Bajaj Auto	44251	124,143,968	1.27%	28,901	69,534,361	1.35%
6	Bharat Forge Limited	89800	93,580,580	0.96%	41,000	35,797,100	0.69%
7	Bharat Petroleum Corporation Ltd.	224250	145,728,863	1.49%	78,100	70,625,830	1.37%
8	Bhartiartl Equity	282485	98,883,874	1.01%	275,085	96,499,818	1.87%
9	Bosch Ltd	1252	28,484,565	0.29%	1,242	25,814,349	0.50%
10	Cipla	166515	98,735,069	1.01%	69,090	35,370,626	0.68%
11	Coal India Ltd.	471676	138,035,981	1.41%	412,376	120,393,173	2.33%
12	Colgate Palmolive	106100	105,622,550	1.08%	63,000	52,343,550	1.01%
13	Dr. Reddy's Laboratories Limited	39684	104,462,176	1.07%	32,834	99,657,757	1.93%
14	Eicher Motors Limited	1760	45,033,999	0.46%	1,750	35,566,050	0.65%
15	Gas Authority Of India Limited	176068	66,368,832	0.68%	77,551	27,639,176	0.53%
16	Glenmark Pharmaceuticals Limited	138950	118,399,295	1.21%	82,800	65,830,140	1.27%
17	Grasim Industries Ltd	153470	160,990,030	1.64%	24,614	94,619,908	1.83%
18	Hcl Technologies Limited	267938	234,378,766	2.39%	170,788	139,038,511	2.69%
19	Hdfc Bank Ltd.	369695	533,303,522	5.44%	272,710	292,113,317	5.65%
20	Hera Motocorp Limited	46254	149,028,075	1.52%	21,404	63,049,763	1.22%
21	Hindustan Unilever Limited	196205	178,889,909	1.83%	86,805	75,476,948	1.46%



Sr. No.	Security Description	As on 31.03.2017			As on 31.03.2016		
		No. of Units	Mkt. Value (Rs.)	% to Asset Class	No. of Units	Mkt. Value (Rs.)	% to Asset Class
22	Housing Development Finance Corporation Limited	261482	392,772,112	4.01%	201,232	222,482,099	4.31%
23	icici Equity	1452316	402,073,685	4.10%	803,016	190,033,736	3.68%
24	Inclusind Bank Limited	220626	314,425,144	3.21%	120,326	116,427,438	2.25%
25	Infosys Technologies Limited	442316	452,157,531	4.62%	284,016	346,016,693	6.70%
26	itc	1614206	452,461,942	4.62%	776,603	254,919,935	4.93%
27	Kotak Bank Equity	336949	293,886,918	3.00%	164,449	111,932,212	2.17%
28	Larsen And Tourbo	284839	448,592,941	4.58%	195,389	237,729,796	4.60%
29	Lic Housing Finance Limited	183950	113,763,878	1.16%	64,000	31,561,600	0.61%
30	Lupin Limited	101143	146,171,863	1.49%	54,343	80,386,883	1.56%
31	Mahindra & Mahindra Equity	169273	217,837,424	2.22%	98,123	118,797,516	2.30%
32	Maruti Equity	70769	425,725,073	4.35%	51,319	190,716,800	3.69%
33	Motherson Sumi Systems Ltd	250065	92,999,174	0.95%	71,000	18,917,950	0.37%
34	National Mineral Development Corporation Ltd	110945	14,766,780	0.15%	110,595	10,838,310	0.21%
35	Ntpc Limited	418127	69,409,082	0.71%	288,177	37,131,606	0.72%
36	Oil & Natural Gas Corporation	518672	95,954,320	0.98%	249,948	53,513,867	1.04%
37	Power Grid Corporation	1232903	243,251,762	2.48%	929,803	129,335,597	2.50%
38	Reliance Industry Limited	349620	461,813,058	4.71%	254,145	265,632,354	5.14%
39	State Bank Of India Equity	1638030	480,598,002	4.91%	1,133,580	220,197,915	4.26%
40	Sun Pharmaceuticals Equity	396235	272,669,115	2.78%	155,685	127,661,700	2.47%
41	Tata Consultancy Limited	103585	251,898,003	2.57%	64,965	163,731,290	3.17%
42	Tata Motors Limited	788062	367,118,683	3.75%	583,412	225,547,079	4.36%
43	Tata Steel	93335	45,052,805	0.46%	93,335	29,839,200	0.58%
44	Tech Mahindra Limited	194048	89,097,139	0.91%	140,398	66,682,030	1.29%
45	Ultratech Cement Limited	41792	166,530,672	1.70%	24,892	80,370,045	1.56%
46	United Phosphorus Limited	187200	136,075,680	1.39%	79,000	37,738,300	0.73%
47	Wipro Ltd	90180	46,505,826	0.47%	89,880	50,714,790	0.98%
48	Zee Entertainment Enterprises Limited	204700	109,627,085	1.12%	133,500	51,657,825	1.00%
49	Ashok Leyland Limited	292500	24,730,875	0.25%	-	-	-
50	Aurobindo Pharma Ltd	116800	78,863,360	0.81%	-	-	-
51	Britannia Industries Limited	30320	102,299,680	1.04%	-	-	-
52	Godrej Consumer Products	14000	23,399,600	0.24%	-	-	-
53	Indian Oil Corporation Limited	122200	47,297,510	0.48%	-	-	-
	<b>Total (Rs.)</b>		<b>9,796,174,860</b>	<b>100.00%</b>		<b>5,167,913,630</b>	<b>100.00%</b>

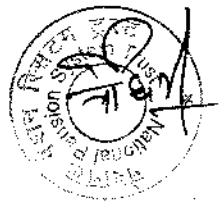
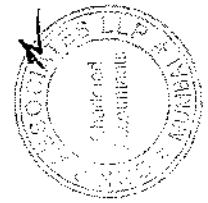


(As referred in point 11.6 in Notes to Accounts)

Investments falling under each major industry group NPS TRUST A/c - SBI PENSION FUND- SCHEME E TIER I

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

Equity	As at 31st March 2017		As at 31st March 2016	
	Market Value in Rs.	% of Investment Class	Market Value in Rs.	% of Investment Class
<b>Total - Investments in Equity Shares</b>	<b>9,796,174,863</b>	<b>100.00%</b>	<b>5,167,913,631</b>	<b>100.00%</b>
Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	2,298,092,321	23.46%	852,838,157	16.50%
Writing , modifying, testing of computer program to meet the needs of a particular client excluding web-page designing	1,074,037,265	10.96%	766,183,313	14.83%
Manufacture of allopathic pharmaceutical preparations	819,300,881	8.36%	408,907,105	7.91%
Activities of specialized institutions granting credit for house purchases that also take deposits	506,535,990	5.17%	546,157,016	10.57%
Manufacture of other petroleum n.e.c.	461,813,058	4.71%	265,632,354	5.14%
Manufacture of commercial vehicles such as vans, lorries, over-the-road tractors for semi-trailers etc.	436,883,558	4.46%	259,113,129	5.01%
<b>Others</b>	<b>4,199,511,792</b>	<b>42.87%</b>	<b>2,069,082,556</b>	<b>40.04%</b>



**Name of the Pension Fund: SBI PENSION FUNDS (P) LTD.**  
**Name of the Scheme: NPS TRUST A/c SBI PENSION FUND SCHEME E - TIER I**  
**Key Statistics for The Year / Period Ended 31.03.2017**

Sr No	Particulars	As at March 31, 2017	As at March 31, 2016
1	NAV per unit (Rs.):		
	Open	16.8822	18.1837
	High	20.5668	18.9174
	Low	16.4658	15.1336
	End	20.5668	16.8822
2	Closing Assets Under Management (Rs. In Lakhs)		
	End	102,631.70	53,981.79
	Average (AAuM)	73,437.59	40,989.62
3	Gross income as % of AAuM @	19.72%	2.65%
4	Expense Ratio		
	a. Total Expense as % of AAuM @	0.03%	8.92%
	b. Management fee as % of AAuM	0.01%	0.01%
5	Net Income as a percentage of AAuM @	19.69%	-6.27%
6	Portfolio Turnover Ratio	0.02	0.08
7	Returns (%)* Compounded Annualised Yield		
	Last 1 Year	21.83%	-7.13%
	Last 3 Years	13.19%	12.88%
	Last 5 Years	13.65%	7.68%
	Since launch of the scheme	9.58%	7.93%
	Launch Date	1 <sup>st</sup> May 2009	
8	Return (%)		
	a. Last one year	20.87%	-8.07%
	Benchmark		
	b. Since inception	14.30%	13.38%
	Benchmark		

@ Includes unrealised gain or loss

- 1 Gross Income = amount in the Revenue account i.e Income
- 2 Net Income = amount in the revenue account i.e NET REALISED GAINS / (LOSSES) FOR THE YEAR/ PERIOD.
- 3 Portfolio Turnover = lower of sales or purchase divided by the average AUM for the year/period.
- 4 AAuM = Average daily net assets
- 5 NAV= (Market value of Investments held by scheme + value of current assets - value of current liability and provisions, if any)/ no. of units at the valuation date (before creation/ redemption of units)

