

**ICICI Prudential Pension Funds Management
Company Limited - Scheme E Tier I**

Financial Statements for the year ended March 31, 2014

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

Financial Statements

For the year ended March 31, 2014

Contents

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**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER I
BALANCE SHEET AT MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme E Tier I | |
|--|----------|--------------------|--------------------|
| | | March 31, 2014 | March 31, 2013 |
| Sources of funds | | | |
| Unit capital | 1 | 380,286,731 | 171,428,318 |
| Reserves and surplus | 2 | 255,622,595 | 64,817,806 |
| Current liabilities and provisions | 3 | 20,023,814 | 100,369 |
| Borrowings | | - | - |
| Total | | 655,933,141 | 236,346,493 |
| Application of funds | | | |
| Investments (long term and short term) | 4 | 637,631,809 | 234,155,277 |
| Deposits | 5 | - | - |
| Other current assets | 6 | 18,301,333 | 2,191,216 |
| Total | | 655,933,141 | 236,346,493 |
| (a) Net assets as per Balance Sheet (Schedule 4+5+6 -3) | | 635,909,327 | 236,246,124 |
| (b) Number of units outstanding | | 38,028,673 | 17,142,832 |
| (c) NAV per unit (a)/(b) (₹) (Refer note 2.8 (II)) | | 16.7218 | 13.7810 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme E Tier I | |
|---|----------|--------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| Income from investments | | | |
| Interest income | | - | - |
| Dividend income | | 5,816,351 | 2,200,419 |
| Net profit/(loss) on sale/redemption of investments (other than inter-scheme transfer/sale) | | 10,424,611 | (500,679) |
| Net profit/(loss) on inter-scheme transfer/sale of investments | | - | - |
| Unrealised gain on appreciation in investments | | 76,013,010 | 17,230,616 |
| Total income (A) | | 92,253,972 | 18,930,356 |
| Expenses and losses | | | |
| Unrealised losses in value of investments | | 2,050,801 | 7,465,163 |
| Provision for outstanding accrued income considered doubtful | | - | - |
| Provision for doubtful deposits and current assets | | - | - |
| Management fees (including service tax) [Refer Note 2.4] | | 1,099,126 | 38,331 |
| Trusteeship/regulatory fees | | - | - |
| Custodian fees | | 32,734 | 12,967 |
| Trustee bank fees | | 154 | 550 |
| CRA fees | | 1,741,938 | 1,088,824 |
| Less : Amount recovered on sale of units on account of CRA charges | | (1,741,938) | (1,088,824) |
| Total expenditure (B) | | 3,182,814 | 7,517,011 |
| Net income/(expenditure) for the year (A-B) appropriated to Balance Sheet | | 89,071,158 | 11,413,345 |
| Balance at the beginning of the year | | 12,391,400 | 978,055 |
| Balance at the end of the year carried to Balance Sheet | | 101,462,558 | 12,391,400 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER I
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme E Tier I | |
|------------------------------------|--------------------|--------------------|
| | March 31, 2014 | March 31, 2013 |
| Initial capital | - | - |
| Unit capital | | |
| Opening balance | 171,428,318 | 76,694,881 |
| Additions during the year | 222,227,492 | 103,143,314 |
| Deduction during the year | (13,369,079) | (8,409,877) |
| Closing balance | 380,286,731 | 171,428,318 |
| Number of units of face value ₹ 10 | 38,028,673 | 17,142,832 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme E Tier I | |
|---|--------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Unit premium reserve | | |
| Opening balance | 52,426,406 | 19,252,168 |
| Additions during the year | 108,136,890 | 36,218,468 |
| Deduction during the year | (6,403,259) | (3,044,230) |
| Closing balance | 154,160,037 | 52,426,406 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 12,391,400 | 978,055 |
| Additions during the year | 89,071,158 | 11,413,345 |
| Deduction during the year | - | - |
| Closing balance | 101,462,558 | 12,391,400 |
| General reserve* | - | - |
| Appropriation account* | - | - |
| Total | 255,622,595 | 64,817,806 |

* The balances have been nil throughout the year

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme E Tier I | |
|---------------------------------------|-------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Current liabilities | | |
| Sundry creditors | 354,836 | 48,900 |
| Contracts for purchase of investments | 19,452,941 | - |
| Interest received in advance | - | - |
| Unclaimed distributed income | - | - |
| Pending creation of units | - | - |
| Unit redemption payable | 216,038 | 51,469 |
| Provisions | - | - |
| Total | 20,023,814 | 100,369 |

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER I
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

| Particulars | Scheme E Tier I | |
|---|--------------------|--------------------|
| | March 31, 2014 | March 31, 2013 |
| Equity shares | 631,790,071 | 234,155,277 |
| Preference shares | - | - |
| Debentures and bonds | - | - |
| Central and state government securities (including treasury bills) | - | - |
| Commercial Paper | - | - |
| Others - Mutual funds | 5,841,738 | - |
| Total | 637,631,809 | 234,155,277 |

Schedule 5: Deposits

(In ₹)

| Particulars | Scheme E Tier I | |
|-------------------------------|-----------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Deposits with scheduled banks | - | - |
| Others | - | - |
| Total | - | - |

Schedule 6: Other current assets

(In ₹)

| Particulars | Scheme E Tier I | |
|---|-------------------|------------------|
| | March 31, 2014 | March 31, 2013 |
| Balances with banks in current/saving account | 7,932 | 211,753 |
| Cash on hand | - | - |
| Sundry debtors | - | 135,960 |
| Contracts for sale of investments | 17,880,458 | 1,714,897 |
| Outstanding and accrued income | - | - |
| Advance, deposits etc. | - | - |
| Shares/debentures/ others application money pending allotment | - | - |
| Others - Dividend receivable | 412,943 | 128,606 |
| Total | 18,301,333 | 2,191,216 |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

Schedule 7

Significant accounting policies and notes to accounts for the year ended March 31, 2014

1.1 Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is appointed as a Pension Fund Manager ('PFM') by the National Pension System Trust ('NPS'). The Company has entered into an Investment Management Agreement ('IMA') with NPS. The Pension Fund Regulatory and Development Authority ('PFRDA') guidelines require each PFM to manage subscribers' funds made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA') at a consolidated level. The Company makes investments as per the IMA, various other circulars/guidelines issued by the PFRDA in this context from time to time and the scheme wise flow of funds.

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 underlying 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

1.2 Basis of preparation

The financial statements have been prepared in accordance with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 ('Guidelines'), Accounting Standards ('AS') notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent made applicable by the Guidelines and generally accepted accounting principles. The Guidelines specifically exempt the schemes from the applicability of AS 3 (Cash Flow Statement) and AS 17 (Segmental Reporting). 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.

1.3 Investments

Purchase and sale of securities are accounted on trade date. Investments are reconciled with the custodian records on daily basis. The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

Valuation of Investments

All investments are marked to market and are carried in the Balance Sheet at the market value as on Balance Sheet date/date of determination/date of valuation. Unrealised gain/(loss), if any, is transferred to Revenue account.

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

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.

Income earned on Investments

Dividend income is recognised on the 'ex-dividend date'. Bonus shares to which the scheme becomes entitled are recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

Profit or loss on sale of equity shares/mutual fund units is the difference between the sale consideration net of expenses, if any and the weighted average book cost.

1.4 Units reconciliation

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

1.5 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.

1.6 Other expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges were recognised when they were debited by the trustee bank on a quarterly basis. The trustee bank has discontinued levying charges with effect from July 01, 2013.

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

Notes to accounts

2.1 Contingent liabilities

(In ₹)

| Particulars | At March 31, 2014 | At March 31, 2013 |
|--|----------------------|----------------------|
| 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

Related parties and nature of relationship.

| Nature of relationship | Name of the related party |
|---|---|
| Pension fund manager | ICICI Prudential Pension Funds Management Company Limited |
| Sponsor company | ICICI Prudential Life Insurance Company Limited |
| Associates and group companies - Holding company of sponsor | ICICI Bank Limited |

The following represents significant transactions between the Scheme and its related parties.

(In ₹)

| Name of related party | Nature of transaction | Transactions for the year ended | | Amount recoverable/ (payable) | |
|---|----------------------------|---------------------------------|-------------------|-------------------------------|----------------------|
| | | March 31, 2014 | March 31, 2013 | At March 31, 2014 | At March 31, 2013 |
| ICICI Prudential Pension Funds Management Company Limited | Investment management fees | 1,099,126 | 38,331 | (332,101) | (37,370) |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

Aggregate investments made by the scheme in the associates and group companies are as follows:

(In ₹)

| Period | Name of the Company | Asset type | Cost | Market value |
|-------------------|---------------------|------------|------------|--------------|
| At March 31, 2014 | ICICI Bank Limited | Equity | 32,908,819 | 40,715,625 |
| At March 31, 2013 | ICICI Bank Limited | Equity | 14,437,793 | 15,375,937 |

2.4 Investment management fees

The Company has started charging investment management fee of 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from March 11, 2013, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012. The investment management fees charged up to March 10, 2013 was 0.0009% per annum.

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

Aggregate value of purchase and sale with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 1,447,383,627 | 157,257,443 |
| % to average net assets | 369.9% | 101.2% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 616,739,008 | 142,960,784 |
| % to average net assets | 157.6% | 92.0% |

*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:

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier I**

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Equity | 631,790,071 | 100.00% | 234,155,277 | 100.00% |
| Monetary intermediation of commercial banks, saving banks | 131,155,939 | 20.76% | 48,537,946 | 20.73% |
| Writing, modifying, testing of computer program to meet the needs | 101,481,127 | 16.06% | 32,567,135 | 13.91% |
| Manufacture of cigarettes, cigarette tobacco | 54,224,929 | 8.58% | 21,921,129 | 9.36% |
| Manufacture of refined petroleum products | 4,032,1021 | 6.38% | 16,425,671 | 7.01% |
| Activities of specialized institutions granting credit for house purchases that also take deposits | 38,935,795 | 6.16% | 16,508,475 | 7.05% |
| Manufacture of allopathic pharmaceutical preparations | 33,544,444 | 5.31% | 12,186,625 | 5.20% |
| Others | 232,126,816 | 36.75% | 86,008,296 | 36.73% |
| Mutual Funds | 5,841,738 | 100% | - | - |
| Net current assets | (1,722,482) | 100.00% | 2,090,846 | 100.00% |
| Net asset value | 635,909,327 | 100.00% | 236,246,124 | 100.00% |

2.7 Statement of portfolio holding as on March 31, 2014

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|---------|-------------------------|---------------------|
| Equity | | 547,918,864 | 631,790,071 |
| ITC Limited | 153,677 | 45,597,168 | 54,224,929 |
| Infosys Limited | 13,747 | 40,967,668 | 45,128,652 |
| ICICI Bank Limited | 32,702 | 32,908,819 | 40,715,625 |
| Reliance Industries Limited | 43,321 | 36,633,866 | 40,321,021 |
| HDFC Bank Limited | 52,542 | 32,210,467 | 39,343,450 |
| Housing Development Finance Corporation | 44,050 | 33,868,099 | 38,935,795 |
| Larsen & Toubro Limited | 23,041 | 21,970,751 | 29,305,848 |
| Tata Consultancy Services Limited | 13,207 | 22,706,722 | 28,172,512 |
| Tata Motors Limited | 51,452 | 16,302,783 | 20,511,340 |
| State Bank Of India | 8,723 | 14,102,273 | 16,728,097 |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier I**

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|--------------|--------------------------------|----------------------------|
| ONGC Corporation Limited | 49,942 | 14,316,642 | 15,916,515 |
| Axis Bank Limited | 8,805 | 10,491,491 | 12,859,703 |
| Mahindra & Mahindra Limited | 13,017 | 11,251,793 | 12,765,772 |
| Sun Pharma Limited | 21,526 | 9,751,757 | 12,372,069 |
| Hindustan Unilever Limited | 19,887 | 10,414,394 | 12,042,573 |
| Bharti Airtel Limited | 33,739 | 10,891,753 | 10,720,567 |
| HCL Technologies Limited | 7,619 | 7,028,609 | 10,595,743 |
| Wipro Limited | 18,447 | 9,201,867 | 10,020,410 |
| Dr. Reddy Laboratories | 3,636 | 8,050,747 | 9,322,340 |
| Kotak Mahindra Bank Limited | 10,803 | 7,172,706 | 8,437,683 |
| Bajaj Auto Limited | 3,788 | 6,979,996 | 7,892,677 |
| Hero Motocorp Limited | 3,386 | 6,693,782 | 7,702,473 |
| Tech Mahindra Limited | 4,213 | 7,728,508 | 7,563,810 |
| Tata Steel Limited | 18,890 | 6,548,070 | 7,441,716 |
| Maruti Suzuki India Limited | 3,755 | 5,560,737 | 7,403,921 |
| Asian Paints Limited | 12,782 | 5,752,847 | 7,003,897 |
| NTPC Limited | 58,130 | 8,565,848 | 6,969,787 |
| Sesa Sterlite Limited | 35,330 | 6,603,957 | 6,661,472 |
| Power Grid Corporation Of India Limited | 62,173 | 6,280,975 | 6,528,165 |
| Lupin Limited | 6,786 | 5,468,503 | 6,332,356 |
| Ultratech Cement Limited | 2,868 | 5,195,660 | 6,272,173 |
| Indusind Bank | 12,061 | 5,088,346 | 6,052,813 |
| UNITED SPIRITS LIMITED | 2,211 | 5,913,330 | 5,853,512 |
| Cairn India Limited | 16,717 | 5,316,950 | 5,566,761 |
| Cipla Limited | 14,414 | 5,457,148 | 5,517,679 |
| Grasim Industries Limited | 1,820 | 4,950,906 | 5,256,251 |
| Coal India Limited | 17,953 | 4,758,884 | 5,183,929 |
| Hindalco Industries Limited | 36,487 | 4,409,812 | 5,172,032 |
| GAIL (India) Limited | 12,678 | 4,504,354 | 4,767,562 |
| Tata Power Limited | 51,589 | 3,979,293 | 4,392,803 |
| Bharat Heavy Electricals Limited | 22,299 | 4,788,681 | 4,371,719 |
| Ambuja Cements Limited | 21,608 | 3,686,454 | 4,369,138 |
| Infrastructure Development Finance Limited | 35,417 | 3,980,613 | 4,329,728 |
| Bank of Baroda | 5,404 | 3,566,775 | 3,894,933 |
| Associated Cement Companies Limited | 2,629 | 3,067,157 | 3,679,417 |
| Bharat Petroleum Corp Limited | 7,294 | 2,571,250 | 3,355,605 |
| Punjab National Bank | 4,199 | 3,038,096 | 3,123,636 |
| NMDC Limited | 22,427 | 2,930,966 | 3,122,960 |
| Jindal Steel & Power Limited | 10,419 | 3,821,972 | 3,047,037 |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier I**

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---------------------------------------|--------------|--------------------------------|----------------------------|
| DLF Limited | 12,678 | 2,360,337 | 2,237,033 |
| Idea Cellular Limited | 15,496 | 2,508,282 | 2,129,925 |
| Tata Power Limited - Rights Issue | 6,064 | - | 152,510 |
| Mutual Funds | | 5,840,000 | 5,841,738 |
| IDFC Cash fund – Direct Plan - Growth | | 5,840,000 | 5,841,738 |
| Total | | 553,758,864 | 637,631,809 |

Statement of portfolio holding as on March 31, 2013

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------------|--------------------------------|----------------------------|
| Equity | | | |
| ITC Limited | 70,839 | 16,768,533 | 21,921,129 |
| Infosys Limited | 6,244 | 16,616,444 | 18,041,101 |
| Housing Development Finance Corporation Limited | 19,980 | 14,258,662 | 16,508,475 |
| Reliance Industries Limited | 21,252 | 17,894,061 | 16,425,671 |
| ICICI Bank Limited | 14,711 | 14,437,793 | 15,375,937 |
| HDFC Bank Limited | 23,911 | 13,020,183 | 14,952,744 |
| Tata Consultancy Services Limited | 6,600 | 8,017,981 | 10,399,950 |
| Larsen & Toubro Limited | 7,003 | 10,430,262 | 9,567,499 |
| ONGC Corporation Limited | 22,909 | 6,521,248 | 7,133,863 |
| State Bank of India | 3,336 | 7,378,259 | 6,914,694 |
| Hindustan Unilever Limited | 13,292 | 5,489,004 | 6,206,699 |
| Tata Motors Limited | 22,893 | 5,610,592 | 6,161,651 |
| Axis Bank Limited | 4,118 | 5,047,441 | 5,356,283 |
| Mahindra & Mahindra Limited | 5,938 | 4,565,011 | 5,114,399 |
| Bharti Airtel Limited | 15,490 | 5,051,591 | 4,519,208 |
| Sun Pharma Limited | 4,870 | 2,929,583 | 3,988,287 |
| NTPC Limited | 26,688 | 4,280,243 | 3,788,362 |
| Kotak Mahindra Bank Limited | 4,948 | 2,717,496 | 3,231,044 |
| Bajaj Auto Limited | 1,737 | 2,935,368 | 3,125,818 |
| Dr. Reddy Laboratories | 1,637 | 2,748,453 | 2,891,761 |
| Asian Paints Limited | 586 | 2,270,249 | 2,881,509 |
| HCL Technologies Limited | 3,409 | 1,840,090 | 2,710,155 |
| Tata Steel Limited | 8,631 | 3,861,649 | 2,700,208 |
| Coal India Limited | 8,177 | 2,755,500 | 2,527,511 |
| Cipla Limited | 6,572 | 2,269,390 | 2,495,717 |
| Ultratech Cement Limited | 1,313 | 2,580,510 | 2,453,931 |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|--------|-------------------------|---------------------|
| Grasim Industries Limited | 822 | 2,229,499 | 2,312,533 |
| Infrastructure Development Finance Limited | 16,006 | 2,304,621 | 2,298,462 |
| Maruti Suzuki India Limited | 1,712 | 2,204,941 | 2,193,414 |
| Cairn India Limited | 7,652 | 2,474,846 | 2,084,787 |
| Tata Power Limited | 20,970 | 2,243,551 | 2,023,605 |
| Power Grid Corporation of India Limited | 18,329 | 1,975,928 | 1,939,208 |
| Lupin Limited | 3,078 | 1,819,993 | 1,934,677 |
| Hero Motocorp Limited | 1,236 | 2,296,144 | 1,905,912 |
| GAIL (India) Limited | 5,815 | 2,224,832 | 1,850,624 |
| Bharat Heavy Electricals Limited | 10,229 | 2,931,951 | 1,810,533 |
| Jindal Steel & Power Limited | 4,958 | 2,452,191 | 1,724,145 |
| Ambuja Cements Limited | 9,865 | 1,638,199 | 1,718,483 |
| Hindalco Industries Limited | 16,654 | 2,262,504 | 1,525,506 |
| Bank of Baroda | 2,178 | 1,623,651 | 1,471,021 |
| Wipro Limited | 3,239 | 1,296,082 | 1,415,929 |
| Associated Cement Companies Limited | 1,206 | 1,445,210 | 1,397,995 |
| Bharat Petroleum Corp Limited | 3,345 | 1,180,958 | 1,263,407 |
| Punjab National Bank | 1,722 | 1,550,055 | 1,236,224 |
| DLF Limited | 4,710 | 1,097,677 | 1,105,437 |
| Jaiprakash Associates Limited | 15,491 | 1,270,410 | 1,013,886 |
| Ranbaxy Laboratories Limited | 1,997 | 957,558 | 876,184 |
| Sesa Goa Limited | 5,049 | 1,085,815 | 785,120 |
| Reliance Infrastructure Limited | 1,752 | 980,454 | 568,436 |
| Siemens Limited | 558 | 401,874 | 306,147 |
| Total | | 224,244,541 | 234,155,277 |

2.8 Key statistics

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------|---------------------------|
| 1. NAV per unit (₹) ⁱ (based on published NAV) | | |
| Open | 13.7814 | 12.6378 |
| High | 16.7001 | 14.7294 |
| Low | 12.9707 | 11.5406 |
| End ⁱⁱ | 16.7001 | 13.7814 |
| | | |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier I**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| 2. Closing Assets Under Management (₹ in Lakhs) | | |
| End | 6,359.09 | 2,362.46 |
| Average daily net assets (AAUM) ⁱⁱⁱ | 3,912.86 | 1,554.76 |
| | | |
| 3. Gross income as % of AAUM ^{iv} | 4.15% | 1.09% |
| | | |
| 4. Expense ratio | | |
| a. Total expense as % of AAUM (scheme wise) ^v | 0.2893% | 0.0333% |
| b. Management fee as % of AAUM (scheme wise) | 0.2809% | 0.0247% |
| | | |
| 5. Net income as % of AAUM ^{vi} | 3.86% | 1.06% |
| | | |
| 6. Portfolio turnover ratio ^{vii} | 38.76% | 4.75% |
| | | |
| 7. Total dividend per unit distributed during the period | - | - |
| | | |
| 8. Returns: (%) | | |
| a. Last one year | 21.18% | 9.05% |
| Benchmark | 19.33% | 8.72% |
| b. Since inception | 67.00% | 37.81% |
| Benchmark | 63.92% | 37.37% |
| c. Compound annualised yield (%) ^{viii} | | |
| Last 1 year | 21.18% | 9.10% |
| Last 3 year | 6.84% | 4.01% |
| Last 5 year | NA | NA |
| Since launch of the scheme | 11.12% | 8.66% |
| Launch Date | May 18, 2009 | |
| | | |
| 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. The last NAV published was on March 28, 2014 of ₹ 16.7001 since it was the last business day of the financial year. However, since equity markets were operational on March 31, 2014, it was directed by the NPS trust in its review of audit process meeting held on April 09, 2014 to value the investments on prices of March 31, 2014 to reflect the correct AUM as on Balance Sheet date. Accordingly, the NAV computed at March 31, 2014 is ₹ 16.7218. Since March 31, 2014 was a non business day, no transactions were conducted by the subscribers and hence the NAV computed for March 31, 2014 is for disclosure purpose only and does not have any impact on the subscribers. | | |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier I**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|--|--|
| III. AAUM = Average daily net assets | | |
| IV. Gross income = Income includes Interest income, Dividend income and Net profit/(loss) on sale of investments | | |
| V. Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes unrealised loss | | |
| VI. Net income = Gross income less Total expenses (excludes unrealised gain/loss) | | |
| VII. Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investment 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: = $((1 + \text{cumulative return})^n - 1)$ (where $n = 365/\text{no. of days}$) | | |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier I

2.9 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation in line with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of the Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

Date : April 21, 2014

Place : Mumbai

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :

Place :

**ICICI Prudential Pension Funds Management
Company Limited - Scheme C Tier I**

Financial Statements for the year ended March 31, 2014

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

Financial Statements

For the year ended March 31, 2014

Contents

Balance Sheet

Revenue account

Accounting Policies and Notes to Accounts

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER I
BALANCE SHEET AT MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme C Tier I | |
|--|----------|--------------------|--------------------|
| | | March 31, 2014 | March 31, 2013 |
| Sources of funds | | | |
| Unit capital | 1 | 274,005,934 | 119,007,511 |
| Reserves and surplus | 2 | 172,313,169 | 63,476,516 |
| Current liabilities and provisions | 3 | 265,033 | 145,718 |
| Borrowings | | - | - |
| Total | | 446,584,136 | 182,629,745 |
| Application of funds | | | |
| Investments (long term and short term) | 4 | 429,432,581 | 175,276,919 |
| Deposits | 5 | 193,600 | 193,600 |
| Other current assets | 6 | 16,957,955 | 7,159,226 |
| Total | | 446,584,136 | 182,629,745 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 446,319,103 | 182,484,027 |
| (b) Number of units outstanding | | 27,400,593 | 11,900,751 |
| (c) NAV per unit (a)/(b) (₹) (Refer note 2.8 (II)) | | 16.2887 | 15.3338 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme C Tier I | |
|---|----------|-------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| Income from investments | | | |
| Interest income | | 25,550,744 | 9,627,973 |
| Dividend income | | - | - |
| Net profit/(loss) on sale/redemption of investments (other than inter-scheme transfer/sale) | | 1,216,620 | 620,735 |
| Net profit/(loss) on inter-scheme transfer/sale of investments | | (14,596) | - |
| Unrealised gain on appreciation in investments | | 2,297,025 | 4,370,541 |
| Total income (A) | | 29,049,793 | 14,619,249 |
| Expenses and losses | | | |
| Unrealised losses in value of investments | | 8,936,632 | 20,375 |
| Provision for outstanding accrued income considered doubtful | | - | - |
| Provision for doubtful deposits and current assets | | - | - |
| Management fees (including service tax) [Refer Note 2.4] | | 812,262 | 29,044 |
| Trusteeship/regulatory fees | | - | - |
| Publicity expenses | | - | - |
| Audit fees | | - | - |
| Custodian fees | | 22,318 | 8,125 |
| Trustee bank fees | | 119 | 397 |
| CRA fees | | 1,161,457 | 722,383 |
| Less : Amount recovered on sale of units on account of CRA charges | | (1,161,457) | (722,383) |
| Total expenditure (B) | | 9,771,332 | 57,941 |
| Net income/(expenditure) for the year (A-B) appropriated to Balance Sheet | | 19,278,461 | 14,561,308 |
| Balance at the beginning of the year | | 20,515,861 | 5,954,553 |
| Balance at the end of the year carried to Balance Sheet | | 39,794,322 | 20,515,861 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER I
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme C Tier I | |
|------------------------------------|--------------------|--------------------|
| | March 31, 2014 | March 31, 2013 |
| Initial capital | - | - |
| Unit capital | | |
| Opening balance | 119,007,511 | 50,848,434 |
| Additions during the year | 163,335,465 | 76,642,672 |
| Deduction during the year | (8,337,042) | (8,483,595) |
| Closing balance | 274,005,934 | 119,007,511 |
| Number of units of face value ₹ 10 | 27,400,593 | 11,900,751 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme C Tier I | |
|---|--------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Unit premium reserve | | |
| Opening balance | 42,960,655 | 11,430,961 |
| Additions during the year | 94,325,610 | 35,540,762 |
| Deduction during the year | (4,767,418) | (4,011,068) |
| Closing balance | 132,518,847 | 42,960,655 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 20,515,861 | 5,954,553 |
| Additions during the year | 19,278,461 | 14,561,308 |
| Deduction during the year | - | - |
| Closing balance | 39,794,322 | 20,515,861 |
| General reserve* | - | - |
| Appropriation account* | - | - |
| Total | 172,313,169 | 63,476,516 |

* The balances have been nil throughout the year

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme C Tier I | |
|---------------------------------------|-----------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Current liabilities | | |
| Sundry creditors | 256,750 | 36,077 |
| Contracts for purchase of investments | - | - |
| Interest received in advance | - | 50,342 |
| Unclaimed distributed income | - | - |
| Pending creation of units | - | - |
| Unit redemption payable | 8,283 | 59,299 |
| Provisions | - | - |
| Total | 265,033 | 145,718 |

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER I
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

| Particulars | Scheme C Tier I | |
|--|--------------------|--------------------|
| | March 31, 2014 | March 31, 2013 |
| Equity shares | - | - |
| Preference shares | - | - |
| Debentures and bonds | 423,340,769 | 173,669,372 |
| Central and state government securities (including treasury bills) | - | - |
| Commercial Paper | - | - |
| Others - Mutual funds | 6,091,812 | 1,607,547 |
| Total | 429,432,581 | 175,276,919 |

Schedule 5: Deposits

(In ₹)

| Particulars | Scheme C Tier I | |
|-------------------------------|-----------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Deposits with scheduled banks | 193,600 | 193,600 |
| Others | - | - |
| Total | 193,600 | 193,600 |

Schedule 6: Other current assets

(In ₹)

| Particulars | Scheme C Tier I | |
|--|-------------------|------------------|
| | March 31, 2014 | March 31, 2013 |
| Balances with banks in current/saving account | 1,303,561 | 442,803 |
| Cash on hand | - | - |
| Sundry debtors | - | - |
| Contracts for sale of investments | - | - |
| Outstanding and accrued income | 15,654,394 | 6,716,423 |
| Advance, deposits etc. | - | - |
| Shares/debentures/others application money pending allotment | - | - |
| Others - Dividend receivable | - | - |
| Total | 16,957,955 | 7,159,226 |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

Schedule 7

Significant accounting policies and notes to accounts for the year ended March 31, 2014

1.1 Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is appointed as a Pension Fund Manager ('PFM') by the National Pension System Trust ('NPS'). The Company has entered into an Investment Management Agreement ('IMA') with NPS. The Pension Fund Regulatory and Development Authority ('PFRDA') guidelines require each PFM to manage subscribers' funds made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA') at a consolidated level. The Company makes investments as per the IMA, various other circulars/guidelines issued by the PFRDA in this context from time to time and the scheme wise flow of funds.

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 underlying 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

1.2 Basis of preparation

The financial statements have been prepared in accordance with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 ('Guidelines'), Accounting Standards ('AS') notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent made applicable by the Guidelines and generally accepted accounting principles. The Guidelines specifically exempt the schemes from the applicability of AS 3 (Cash Flow Statement) and AS 17 (Segmental Reporting). 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.

1.3 Investments

Purchase and sale of securities are accounted on trade date. Investments are reconciled with the custodian records on daily basis. The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

Valuation of investments

All investments are marked to market and are carried in the Balance Sheet at the market value as on Balance Sheet date/date of determination/date of valuation. Unrealised gain/(loss), if any, is transferred to Revenue account.

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

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

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 agency(ies) entrusted for the said purpose by Association of Mutual Funds in India (AMFI) to arrive at the yield for pricing the security.

Debt securities other than Government securities with a residual maturity upto 60 days are valued at weighted average traded price on that day. When such securities are not traded on a 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 floor 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.

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

Income earned on investments

Interest income on investments is recognised on daily accrual basis. In respect of investments 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 is credited to interest recoverable account and not included in sale value. Accretion of discount/amortization of premium relating to debt securities is 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, if any 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, if any and the weighted average book cost.

Non-performing assets (NPA)

An investment is regarded as NPA, if interest/principal or both amount has not been received or has remained outstanding for one quarter from the day such income/installment has fallen due. Further the Company also classifies following assets as impaired.

1. In case of investments, securities where the certificates, if any, are not traceable for a protracted period
2. In case of assets, other than investments, where in the opinion of the Board of Directors, there is a substantial diminution in value.

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

Where income receivable on investments has accrued but has not been received for one quarter beyond the due date, provision shall be made by debiting to the Revenue account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on NPAs shall be recognised on cash basis.

1.4 Units reconciliation

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

1.5 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.

1.6 Other expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges were recognised when they were debited by the trustee bank on a quarterly basis. The trustee bank has discontinued levying charges with effect from July 01, 2013.

Notes to accounts

2.1 Contingent liabilities

(In ₹)

| Particulars | At March 31, 2014 | At March 31, 2013 |
|--------------------|--------------------------|--------------------------|
| Other commitments | Nil | Nil |

2.2 Investments

All investments and deposits under the scheme are performing assets, hence no provisions for doubtful deposits, debts and for doubtful outstandings and accrued income are required to be made. All the investments of the scheme are in the name of the NPS Trust.

Aggregate value of non-traded investments as on March 31, 2014 is Rs. 266,201,904 (Previous year Rs. 154,231,608). Non traded securities as per the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 are those securities that are not traded on any stock exchange for a period of 30 days prior to the valuation date. They are valued at yield to maturity basis, by using spreads over the benchmark rate.

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

2.3 Details of transactions with sponsor and its related parties

Related parties and nature of relationship.

| Nature of relationship | Name of the related party |
|---|---|
| Pension fund manager | ICICI Prudential Pension Funds Management Company Limited |
| Sponsor company | ICICI Prudential Life Insurance Company Limited |
| Associates and group companies - Holding company of sponsor | ICICI Bank Limited |

The following represents significant transactions between the Scheme and its related parties.

(In ₹)

| Name of related party | Nature of transaction | Transactions for the year ended | | Amount recoverable/ (payable) | |
|---|----------------------------|---------------------------------|----------------|-------------------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 | At March 31, 2014 | At March 31, 2013 |
| ICICI Prudential Pension Funds Management Company Limited | Investment management fees | 812,262 | 29,044 | (240,767) | (28,349) |

Aggregate investments made by the scheme in the associates and group companies at March 31, 2014 is Nil (Previous year: Nil).

2.4 Investment management fees

The Company has started charging investment management fee of 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from March 11, 2013, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012. The investment management fees charged upto March 10, 2013 was 0.0009% per annum.

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

Aggregate value of purchase and sale with percentage to average daily net assets is as follows:

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|------------------------------|------------------------------|
| Aggregate value of purchase and sale | 3,713,692,740 | 513,288,446 |
| % to average daily net assets | 1,284.3% | 453.5% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|------------------------------|------------------------------|
| Aggregate value of purchase and sale | 351,545,635 | 132,154,666 |
| % to average daily net assets | 121.5% | 116.8% |

*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 investment in the major classification of the financials) are disclosed as under:

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Mutual funds | 6,091,812 | 100.00% | 1,607,547 | 100.00% |
| Mutual funds | 6,091,812 | 100.00% | 1,607,547 | 100.00% |
| Fixed deposits | 193,600 | 100.00% | 193,600 | 100.00% |
| Monetary intermediation of commercial banks, saving banks | 193,600 | 100.00% | 193,600 | 100.00% |
| Non-convertible debentures | 423,340,769 | 100.00% | 173,669,372 | 100.00% |
| Other credit granting | 87,092,064 | 20.57% | 32,144,923 | 18.51% |
| Activities of specialized institutions granting credit for house purchases that also take deposits | 81,735,955 | 19.31% | - | - |
| Activities of providing internet access by operator of the wired infrastructure | 44,549,758 | 10.52% | 46,145,498 | 26.57% |
| Activities of holding companies | 41,165,399 | 9.72% | 38,760,832 | 22.32% |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|---|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Activities of commission agents, brokers dealing in wholesale trade of agricultural raw material, live animals, food, beverages, intoxicants and textiles | 40,611,360 | 9.59% | - | - |
| Electric power generation by coal based thermal power plants | 38,275,386 | 9.04% | 20,457,120 | 11.78% |
| Manufacture of Aluminium from alumina and by other methods and products of aluminium and alloys | 37,988,652 | 8.97% | - | - |
| Other financial service activities, except insurance & pension funding | 26,587,144 | 6.28% | 4,480,592 | 2.58% |
| Service activities incidental to water transportation | - | - | 21,716,080 | 12.50% |
| Others | 25,335,051 | 6.00% | 9,964,327 | 5.74% |
| Net current assets | 16,692,922 | 100.00% | 7,013,508 | 100.00% |
| Net asset value | 446,319,103 | 100.00% | 182,484,027 | 100.00% |

2.7 Statement of portfolio holding as on March 31, 2014

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|---------|-------------------------|---------------------|
| Mutual Funds | | 6,090,000 | 6,091,812 |
| IDFC Cash fund - Direct Plan –Growth | 3911 | 6,090,000 | 6,091,812 |
| | | | |
| Non-convertible debentures | | 424,150,648 | 423,340,769 |
| 8.95% Infotel Broadband Services Limited 2020 (15-September-2020) | 460,000 | 44,635,942 | 44,549,758 |
| 9.80% LIC Housing Finance Limited 2017 (22-October-2017) | 420,000 | 41,655,276 | 42,450,954 |
| 9.95% Food Corporation of India Limited 2022 (07-March-2022) | 400,000 | 39,976,000 | 40,611,360 |
| 9.80 % Talwandi Sabo Power Limited 2023 (09-December-2023). | 380,000 | 37,808,110 | 38,275,386 |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------------|--------------------------------|----------------------------|
| 9.55% Hindalco Industries Limited 2022 (25-April-2022) | 390,000 | 39,843,588 | 37,988,652 |
| 8.75% IRFC 2026 (29-November-2026). | 390,000 | 38,400,695 | 37,240,164 |
| 9.81% Power Finance Corporation Limited 2018 (07-October-18). | 350,000 | 35,224,104 | 35,337,435 |
| 9.90% HDFC 2018 (29-December-2018) | 310,000 | 30,924,200 | 31,379,657 |
| 10.75% Shriram Transport Finance Company Limited 2018 (24-October-2018) | 220,000 | 22,000,000 | 22,148,918 |
| 9.67% Tata Sons Limited 2022 (13-September-2022) | 200,000 | 20,317,448 | 20,051,000 |
| 8.73% Power Grid Corporation (11-October-2021) | 200,000 | 19,076,420 | 19,070,880 |
| 9.70% Tata Sons Limited 2022 (25-July-2022) | 150,000 | 15,003,000 | 15,064,830 |
| 8.87% Rural Electrification Corporation Limited (08-March-2020) | 150,000 | 15,004,500 | 14,514,465 |
| 9.18% HDFC 2018 (12-February-2018) | 80,000 | 7,854,400 | 7,905,344 |
| 9.90% Tata Sons Limited 2016 (18-March-2016) | 30,000 | 3,015,300 | 3,025,497 |
| 9.90% Tata Sons Limited 2016 (24-February-2016) | 30,000 | 3,010,600 | 3,024,072 |
| 10.25% Shriram Transport Finance Company Limited 2015 (18-April-2015) | 21,000 | 2,106,300 | 2,104,761 |
| 11.60% Shriram Transport Finance Company Limited 2016 (11-July-2016) | 20,000 | 2,061,824 | 2,034,314 |
| 10.09% MRF Limited 2019 (27-May-2019) | 20,000 | 2,040,800 | 2,015,462 |
| 2.00% Tata Motors Limited Tranche-4 2016 (31-March-2016).; | 10,000 | 1,084,500 | 1,485,373 |
| 10.09% MRF Limited 2020 (27-May-2020) | 10,000 | 999,544 | 1,006,691 |
| 10.20% Tata Steel Limited 2015 (07-May-2015) | 10,000 | 1,043,500 | 1,001,500 |
| 10.75% Bharat Forge Limited 2015 (22-March-2015) | 10,000 | 766,337 | 755,145 |
| 9.75% Shriram Transport Finance Company Limited 2015 (01-June-2015) | 3,000 | 298,260 | 299,151 |
| | | | |
| Fixed deposits | | 193,600 | 193,600 |
| 8.50% State Bank of Indore Fixed Deposit (10-July-14) | 1 | 118,000 | 118,000 |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|-------|-------------------------|---------------------|
| 8.00% State Bank of Indore Fixed Deposit (18-July-2014) | 1 | 26,800 | 26,800 |
| 8% State Bank of Indore Fixed Deposit (22-July-2014) | 1 | 20,900 | 20,900 |
| 8.50% State Bank of Indore Fixed Deposit (11-July-14) | 1 | 20,000 | 20,000 |
| 8.50% State Bank of Indore Fixed Deposit (15-July-2014) | 1 | 7,900 | 7,900 |
| Total | | 430,434,248 | 429,626,181 |

Statement of portfolio holding as on March 31, 2013

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|---------|-------------------------|---------------------|
| Mutual Fund | | 1,605,629 | 1,607,547 |
| IDFC Cash fund - Direct Plan -Growth | 1,128 | 1,605,629 | 1,607,547 |
| | | | |
| Non-convertible debentures | | 167,839,749 | 173,669,372 |
| 8.95% Infotel Broadband Services Limited 2020 (15-September-2020) | 460,000 | 44,635,942 | 46,145,498 |
| 10.40% Reliance Ports & Terminals Limited(18 Jul 2021) | 200,000 | 20,259,854 | 21,716,080 |
| 9.67% Tata Sons Limited 2022 (13-September-2022) | 200,000 | 20,317,448 | 20,963,200 |
| 9.80% Talwandi Sabo Power Limited (09-December-2023) | 200,000 | 19,875,500 | 20,457,120 |
| 8.87% Rural Electrification Corporation Ltd. (08-March-2020) | 170,000 | 17,005,100 | 17,023,528 |
| 9.70% Tata Sons Limited 2022 (25-July-2022) | 150,000 | 15,003,000 | 15,745,170 |
| 8.75% IRFC 2026 (29-November-2026) | 150,000 | 15,052,395 | 15,121,395 |
| 3% Tata Bluescope Limited (27-September-2015) | 30,000 | 3,027,000 | 3,397,629 |
| 10.25% Shriram Transport Finance Company Limited (18-April-2015) | 21,000 | 2,106,300 | 2,112,608 |
| 10.09% MRF Limited 2019 (27-May-2019) | 20,000 | 2,040,800 | 2,085,866 |
| 11.60% Shriram Transport Finance Company Limited 2016 (11-July-2016) | 20,000 | 2,061,824 | 2,067,896 |
| 9.90% Tata Sons Limited 2016 (24-February-2016) | 20,000 | 2,007,000 | 2,052,462 |
| 2.00% Tata Motor Limited Tranche-4 (31-March-2016) | 10,000 | 1,084,500 | 1,398,233 |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------|-------------------------|---------------------|
| 10.09% MRF Limited 2020 (27-May-2020) | 10,000 | 999,544 | 1,048,040 |
| 10.75% Bharat Forge Limited 2015 (22-March-2015) | 10,000 | 1,021,782 | 1,018,556 |
| 10.20% Tata Steel Limited (07-May-2015) | 10,000 | 1,043,500 | 1,016,003 |
| 9.75% Shriram Transport Finance Company Limited (1-June-2015) | 3,000 | 298,260 | 300,088 |
| | | | |
| Fixed deposits | | 193,600 | 193,600 |
| 8.50% State Bank of Indore Fixed Deposit (10-July-14) | 1 | 118,000 | 118,000 |
| 8.00% State Bank of Indore Fixed Deposit (18-July-2014) | 1 | 26,800 | 26,800 |
| 8% State Bank of Indore Fixed Deposit (22-July-2014) | 1 | 20,900 | 20,900 |
| 8.50% State Bank of Indore Fixed Deposit (11-July-14) | 1 | 20,000 | 20,000 |
| 8.50% State Bank of Indore Fixed Deposit (15-July-2014) | 1 | 7,900 | 7,900 |
| Total | | 169,638,978 | 175,470,519 |

2.8 Key statistics

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------|---------------------------|
| 1. NAV per unit (₹) ⁱ (based on published NAV) | | |
| Open | 15.3231 | 13.4159 |
| High | 16.2768 | 15.3256 |
| Low | 14.7799 | 13.3156 |
| End ⁱⁱ | 16.2768 | 15.3231 |
| | | |
| 2. Closing Assets Under Management (₹ in Lakhs) | | |
| End | 4,463.19 | 1,824.84 |
| Average daily net assets (AAUM) ⁱⁱⁱ | 2,891.61 | 1,131.79 |
| | | |
| 3. Gross income as % of AAUM ^{iv} | 9.25% | 9.06% |
| | | |
| 4. Expense ratio | | |
| a. Total expense as % of AAUM (scheme wise) ^v | 0.2887% | 0.0332% |
| b. Management fee as % of AAUM (scheme wise) | 0.2809% | 0.0257% |
| | | |
| 5. Net income as % of AAUM ^{vi} | 8.96% | 9.03% |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|---------------------------------|---------------------------------|
| 6. Portfolio turnover ratio ^{vii} | 15.22% | 11.12% |
| 7. Total dividend per unit distributed during the period | - | - |
| 8. Returns: (%) | | |
| a. Last one year | 6.22% | 14.22% |
| Benchmark | 5.36% | 11.44% |
| b. Since inception | 62.77% | 53.23% |
| Benchmark | 43.81% | 36.50% |
| c. Compound annualised yield (%) ^{viii} | | |
| Last 1 year | 6.22% | 14.30% |
| Last 3 year | 10.59% | 11.69% |
| Last 5 year | NA | NA |
| Since launch of the scheme | 10.54% | 11.68% |
| Launch Date | May 18, 2009 | |
| 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. The last NAV published was on March 28, 2014 of ₹ 16.2768 since it was the last business day of the financial year. However, since equity markets were operational on March 31, 2014, it was directed by the NPS trust in its review of audit process meeting held on April 09, 2014 to value the investments on prices of March 31, 2014 to reflect the correct AUM as on Balance Sheet date. Accordingly, the NAV computed at March 31, 2014 is ₹ 16.2887. Since March 31, 2014 was a non business day, no transactions were conducted by the subscribers and hence the NAV computed for March 31, 2014 is for disclosure purpose only and does not have any impact on the subscribers. | | |
| III. AAUM = Average daily net assets | | |
| IV. Gross income = Income includes Interest income, Dividend income and Net profit/(loss) on sale of investments | | |
| V. Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes unrealised loss | | |
| VI. Net income = Gross income less Total expenses (excludes unrealised gain/loss) | | |
| 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: | | |
| = $((1 + \text{cumulative return})^n - 1)$ (where $n = 365/\text{no. of days}$) | | |

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier I

2.9 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation in line with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of the Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

Date : April 21, 2014

Place : Mumbai

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :

Place :

**ICICI Prudential Pension Funds Management
Company Limited - Scheme G Tier I**

Financial Statements for the year ended March 31, 2014

ICICI Prudential Pension Funds Management Company Limited - Scheme G Tier I

Financial Statements

For the year ended March 31, 2014

Contents

Balance Sheet

Revenue account

Accounting Policies and Notes to Accounts

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER I
BALANCE SHEET AT MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme G Tier I | |
|--|----------|--------------------|--------------------|
| | | March 31, 2014 | March 31, 2013 |
| Sources of funds | | | |
| Unit capital | 1 | 341,406,510 | 141,667,713 |
| Reserves and surplus | 2 | 129,844,939 | 50,965,782 |
| Current liabilities and provisions | 3 | 268,882 | 57,667 |
| Borrowings | | - | - |
| Total | | 471,520,332 | 192,691,162 |
| Application of funds | | | |
| Investments (long term and short term) | 4 | 466,956,707 | 187,505,825 |
| Deposits | 5 | - | - |
| Other current assets | 6 | 4,563,625 | 5,185,337 |
| Total | | 471,520,332 | 192,691,162 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 471,251,450 | 192,633,495 |
| (b) Number of units outstanding | | 34,140,651 | 14,166,771 |
| (c) NAV per unit (a)/(b) (₹) (Refer note 2.8 (II)) | | 13.8032 | 13.5976 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER I
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme G Tier I | |
|---|----------|-------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| Income from investments | | | |
| Interest income | | 24,567,619 | 9,083,470 |
| Dividend income | | - | - |
| Net profit/(loss) on sale/redemption of investments (other than inter-scheme transfer/sale) | | (8,488,903) | 2,659,394 |
| Net profit/(loss) on inter-scheme transfer/sale of investments | | - | - |
| Unrealised gain on appreciation in investments | | 588,140 | 2,664,285 |
| Total income (A) | | 16,666,857 | 14,407,149 |
| Expenses and losses | | | |
| Unrealised losses in value of investments | | 9,034,863 | 237 |
| Provision for outstanding accrued income considered doubtful | | - | - |
| Provision for doubtful deposits and current assets | | - | - |
| Management fees (including service tax) [Refer Note 2.4] | | 837,979 | 30,097 |
| Trusteeship/regulatory fees | | - | - |
| Publicity expenses | | - | - |
| Audit fees | | - | - |
| Custodian fees | | 24,140 | 9,111 |
| Trustee bank fees | | 126 | 401 |
| CRA fees | | 1,132,601 | 702,163 |
| Less : Amount recovered on sale of units on account of CRA charges | | (1,132,601) | (702,163) |
| Total expenditure (B) | | 9,897,108 | 39,846 |
| Net income/(expenditure) for the year (A-B) appropriated to Balance Sheet | | 6,769,749 | 14,367,303 |
| Balance at the beginning of the year | | 17,860,627 | 3,493,324 |
| Balance at the end of the year carried to Balance Sheet | | 24,630,375 | 17,860,627 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER I
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme G Tier I | |
|------------------------------------|--------------------|--------------------|
| | March 31, 2014 | March 31, 2013 |
| Initial capital | - | - |
| Unit capital | | |
| Opening balance | 141,667,713 | 55,269,880 |
| Additions during the year | 208,022,456 | 90,611,947 |
| Deduction during the year | (8,283,659) | (4,214,114) |
| Closing balance | 341,406,510 | 141,667,713 |
| Number of units of face value ₹ 10 | 34,140,651 | 14,166,771 |

Schedule 2 : Reserves and surplus

(In ₹)

| Particulars | Scheme G Tier I | |
|---|--------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Unit premium reserve | | |
| Opening balance | 33,105,155 | 7,235,424 |
| Additions during the year | 75,326,413 | 27,144,031 |
| Deduction during the year | (3,217,004) | (1,274,300) |
| Closing balance | 105,214,564 | 33,105,155 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 17,860,627 | 3,493,324 |
| Additions during the year | 6,769,749 | 14,367,303 |
| Deduction during the year | - | - |
| Closing balance | 24,630,376 | 17,860,627 |
| General reserve* | - | - |
| Appropriation account* | - | - |
| Total | 129,844,939 | 50,965,782 |

* The balances have been nil throughout the year

Schedule 3 : Current liabilities and provisions

(In ₹)

| Particulars | Scheme G Tier I | |
|---------------------------------------|-----------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Current liabilities | | |
| Sundry creditors | 264,371 | 34,505 |
| Contracts for purchase of investments | - | - |
| Interest received in advance | - | - |
| Unclaimed distributed income | - | - |
| Pending creation of units | - | - |
| Unit redemption payable | 4,511 | 23,162 |
| Provisions | - | - |
| Total | 268,882 | 57,667 |

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER I
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

| Particulars | Scheme G Tier I | |
|--|--------------------|--------------------|
| | March 31, 2014 | March 31, 2013 |
| Equity shares | - | - |
| Preference shares | - | - |
| Debentures and bonds | - | - |
| Central and state government securities (including treasury bills) | 439,758,616 | 187,505,825 |
| Commercial Paper | - | - |
| Others - Mutual funds | 27,198,091 | - |
| Total | 466,956,707 | 187,505,825 |

Schedule 5: Deposits

(In ₹)

| Particulars | Scheme G Tier I | |
|-------------------------------|-----------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Deposits with scheduled banks | - | - |
| Others | - | - |
| Total | - | - |

Schedule 6: Other current assets

(In ₹)

| Particulars | Scheme G Tier I | |
|--|------------------|------------------|
| | March 31, 2014 | March 31, 2013 |
| Balances with banks in current/saving account | 7,852 | 1,296,088 |
| Cash on hand | - | - |
| Sundry debtors | - | - |
| Contracts for sale of investments | - | - |
| Outstanding and accrued income | 4,555,773 | 3,889,249 |
| Advance, deposits etc. | - | - |
| Shares/debentures/others application money pending allotment | - | - |
| Others - Dividend receivable | - | - |
| Total | 4,563,625 | 5,185,337 |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier I

Schedule 7

Significant accounting policies and notes to accounts for the year ended March 31, 2014

1.1 Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is appointed as a Pension Fund Manager ('PFM') by the National Pension System Trust ('NPS'). The Company has entered into an Investment Management Agreement ('IMA') with NPS. The Pension Fund Regulatory and Development Authority ('PFRDA') guidelines require each PFM to manage subscribers' funds made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA') at a consolidated level. The Company makes investments as per the IMA, various other circulars/guidelines issued by the PFRDA in this context from time to time and the scheme wise flow of funds.

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 underlying 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

1.2 Basis of preparation

The financial statements have been prepared in accordance with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 ('Guidelines'), Accounting Standards ('AS') notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent made applicable by the Guidelines and generally accepted accounting principles. The Guidelines specifically exempt the schemes from the applicability of AS 3 (Cash Flow Statement) and AS 17 (Segmental Reporting). 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.

1.3 Investments

Purchase and sale of securities are accounted on trade date. Investments are reconciled with the custodian records on daily basis. The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

Valuation of investments

All investments are marked to market and are carried in the Balance Sheet at the market value as on Balance Sheet date/date of determination/date of valuation. Unrealised gain/(loss), if any, is transferred to Revenue account.

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier I

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

Central government as well as State government securities are valued at the average traded prices received from independent valuation agencies.

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

Income earned on investments

Interest income on investments is recognised on daily accrual basis. In respect of investments 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 is credited to interest recoverable account and not included in sale value. Accretion of discount/amortization of premium relating to debt securities is 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, if any 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, if any and the weighted average book cost.

Non-performing assets (NPA)

An investment is regarded as NPA, if interest/principal or both amount has not been received or has remained outstanding for one quarter from the day such income/installment has fallen due. Further the Company also classifies following assets as impaired.

1. In case of investments, securities where the certificates, if any, are not traceable for a protracted period
2. In case of assets, other than investments, where in the opinion of the Board of Directors, there is a substantial diminution in value.

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

Income on NPAs shall be recognised on cash basis.

The Scheme's exposure is restricted to securities of Central and State Government which has a sovereign guarantee; therefore NPA is not envisaged for the Scheme.

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier I

1.4 Units reconciliation

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

1.5 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.

1.6 Other expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges were recognised when they were debited by the trustee bank on a quarterly basis. The trustee bank has discontinued levying charges with effect from July 01, 2013.

Notes to accounts

2.1 Contingent liabilities

(In ₹)

| Particulars | At March 31, 2014 | At March 31, 2013 |
|-------------------|----------------------|----------------------|
| Other commitments | Nil | Nil |

2.2 Investments

All investments and deposits under the scheme are performing assets, hence no provisions for doubtful deposits, debts and for doubtful outstandings and accrued income are required to be made. All the 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

Related parties and nature of relationship.

| Nature of relationship | Name of the related party |
|--|---|
| Pension fund manager | ICICI Prudential Pension Funds Management Company Limited |
| Sponsor company | ICICI Prudential Life Insurance Company Limited |
| Associates and group companies Holding company of sponsor | ICICI Bank Limited |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier I

The following represents significant transactions between the Scheme and its related parties

(In ₹)

| Name of related party | Nature of transaction | Transactions for the year ended | | Amount recoverable/ (payable) | |
|---|----------------------------|---------------------------------|----------------|-------------------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 | At March 31, 2014 | At March 31, 2013 |
| ICICI Prudential Pension Funds Management Company Limited | Investment management fees | 837,979 | 30,097 | (247,050) | (29,397) |

Aggregate investments made by the scheme in the associates and group companies at March 31, 2014 is Nil (Previous year: Nil).

2.4 Investment management fees

The Company has started charging investment management fee of 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from March 11, 2013, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012. The investment management fees charged upto March 10, 2013 was 0.0009% per annum.

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

Aggregate value of purchase and sale with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 4,782,732,520 | 1,124,151,331 |
| % to average daily net assets | 1,603.24% | 977.4% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average daily net assets is as follows

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 1,821,260,984 | 656,359,206 |
| % to average daily net assets | 610.5% | 570.7% |

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

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier I

2.6 Investments falling under each major industry group

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

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|---|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Government securities & Treasury bills | 439,758,616 | 100.00% | 187,505,825 | 100.00% |
| Government securities & Treasury bills | 439,758,616 | 100.00% | 187,505,825 | 100.00% |
| Mutual funds | 27,198,091 | 100.00% | - | - |
| Mutual funds | 27,198,091 | 100.00% | - | - |
| Net current assets | 4,294,743 | 100.00% | 5,127,670 | 100.00% |
| Net assets value | 471,251,450 | 100.00% | 192,633,495 | 100.00% |

2.7 Statement of portfolio holding as on March 31, 2014

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|-----------|-------------------------|---------------------|
| Government securities & Treasury bills | | 446,033,390 | 439,758,616 |
| 8.28% GOI 2027 (21-September-2027) | 1,600,000 | 150,623,900 | 149,360,000 |
| 8.32% GOI 2032 (02-August-2032) | 1,001,800 | 94,874,794 | 93,092,265 |
| 8.12% GOI 2020 (10-December-2020). | 501,000 | 48,631,840 | 47,810,430 |
| 364 Days TBILL 2014 (03-April-2014) | 450,000 | 44,899,245 | 44,989,650 |
| 8.28% GOI 2032 (15-February-2032) | 425,000 | 41,071,270 | 39,333,750 |
| 7.40% GOI 2035 (09-September-2035) | 203,000 | 16,873,360 | 17,071,082 |
| 8.83% GS 2041 (12-December-2041) | 110,000 | 12,003,135 | 10,728,850 |
| 9.84% Andhra Pradesh SDL 2024 (26-February-2024) | 77,000 | 7,724,170 | 7,894,425 |
| 9.53 Madhya Pradesh SDL(01-August-2023) | 78,000 | 7,862,400 | 7,835,256 |
| 9.72% West Bengal SDL 2024 (12-February-2024) | 60,700 | 6,071,214 | 6,161,778 |
| 9.20% GS 2030 (30-September-2030) | 50,000 | 4,994,000 | 5,044,500 |
| 9.67% Jharkhand SDL 2024 (12-February-2024) | 47,500 | 4,750,950 | 4,806,620 |
| 7.16% GOI 2023 (20-May-2023) | 50,000 | 4,401,000 | 4,387,500 |

**ICICI Prudential Pension Funds Management Company Limited –
Scheme G Tier I**

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---------------------------------------|--------|-------------------------|---------------------|
| 8.33% GOI 2036 (07-June-2036) | 10,000 | 938,700 | 925,800 |
| 8.24% GOI 2027 (15-February-2027) | 3,400 | 313,412 | 316,710 |
| Mutual Funds | | 27,190,000 | 27,198,091 |
| IDFC Cash fund – Direct Plan - Growth | | 27,190,000 | 27,198,091 |
| Total | | 473,223,390 | 466,956,707 |

Statement of portfolio holding as on March 31, 2013

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|---------|-------------------------|---------------------|
| Government securities | | | |
| 9.15% GOI (14-November-2024) | 515,000 | 55,368,985 | 55,438,720 |
| 8.19% GOI 2020 (16-January-2020) | 415,000 | 42,019,700 | 42,064,400 |
| 8.20% GS 2025 (24-September-2025) | 250,000 | 24,867,600 | 25,247,500 |
| 8.97% GOI 2030 (05-December-2030) | 182,000 | 19,296,053 | 19,416,306 |
| 8.28% GOI 2027 (21-September-2027) | 140,000 | 13,370,000 | 14,126,000 |
| 8.33% GOI 2026 (09-July-2026) | 126,000 | 12,602,313 | 12,855,780 |
| 8.79% GOI 2021 (08-November-2021) | 57,000 | 5,848,765 | 5,964,480 |
| 9.01% West Bengal SDL (21-November-2022) | 57,000 | 5,711,210 | 5,847,744 |
| 9.02% Government of UP 2021 (07-December-2021) | 23,000 | 2,300,000 | 2,359,524 |
| 9.02% Government of Rajasthan SDL 2021 (07-December-2021) | 23,000 | 2,300,000 | 2,359,271 |
| 8.33% GOI 2036 (07-June-2036) | 10,000 | 938,700 | 1,016,500 |
| 8.28% GOI 2032 (15-February-2032) | 8,000 | 780,824 | 809,600 |
| Total | | 185,404,150 | 187,505,825 |

2.8 Key statistics

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------------|---------------------------------|
| 1. NAV per unit (₹) ⁱ (based on published NAV) | | |
| Open | 13.5918 | 11.9389 |
| High | 14.6979 | 13.6397 |
| Low | 12.7353 | 11.8936 |
| End ⁱⁱ | 13.7976 | 13.5918 |
| | | |

**ICICI Prudential Pension Funds Management Company Limited –
Scheme G Tier I**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| 2. Closing Assets Under Management (₹ in Lakhs) | | |
| End | 4,712.51 | 1,926.33 |
| Average daily net assets (AAUM) ⁱⁱⁱ | 2,983.17 | 1,150.10 |
| | | |
| 3. Gross income as % of AAUM ^{iv} | 5.39% | 10.21% |
| | | |
| 4. Expense ratio | | |
| a. Total expense as % of AAUM (scheme wise) ^v | 0.2890% | 0.0344% |
| b. Management fee as % of AAUM (scheme wise) | 0.2809% | 0.0262% |
| | | |
| 5. Net income as % of AAUM ^{vi} | 5.10% | 10.18% |
| | | |
| 6. Portfolio turnover ratio ^{vii} | 258.47% | 226.92% |
| | | |
| 7. Total dividend per unit distributed during the period | - | - |
| | | |
| 8. Returns: (%) | | |
| a. Last one year | 1.51% | 13.84% |
| Benchmark | 3.91% | 11.64% |
| b. Since inception | 37.98% | 35.92% |
| Benchmark | 33.12% | 28.12% |
| c. Compound annualised yield (%) ^{viii} | | |
| Last 1 year | 1.51% | 13.93% |
| Last 3 year | 7.03% | 9.17% |
| Last 5 year | NA | NA |
| Since launch of the scheme | 6.84% | 8.27% |
| Launch Date | May 18, 2009 | |
| | | |
| 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. The last NAV published was on March 28, 2014 of ₹ 13.7976 since it was the last business day of the financial year. However, since equity markets were operational on March 31, 2014, it was directed by the NPS trust in its review of audit process meeting held on April 09, 2014 to value the investments on prices of March 31, 2014 to reflect the correct AUM as on balance sheet date. Accordingly, the NAV computed at March 31, 2014 is ₹ 13.8032. Since March 31, 2014 was a non business day, no transactions were conducted by the subscribers and hence the NAV computed for March 31, 2014 is for disclosure purpose only and does not have any impact on the subscribers. | | |

**ICICI Prudential Pension Funds Management Company Limited –
Scheme G Tier I**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| III. AAUM = Average daily net assets | | |
| IV. Gross income = Income includes Interest income, Dividend income and Net profit/(loss) on sale of investments | | |
| V. Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes unrealised loss | | |
| VI. Net income = Gross income less Total expenses (excludes unrealised gain/loss) | | |
| 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: = $((1 + \text{cumulative return})^n - 1)$ (where $n = 365/\text{no. of days}$) | | |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier I

2.9 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation in line with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of the Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

Date : April 21, 2014

Place : Mumbai

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :

Place :

**ICICI Prudential Pension Funds Management
Company Limited - Scheme E Tier II**

Financial Statements for the year ended March 31, 2014

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

Financial Statements

For the year ended March 31, 2014

Contents

Balance Sheet

Revenue account

Accounting Policies and Notes to Accounts

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER II
BALANCE SHEET AT MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme E Tier II | |
|--|----------|-------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| Sources of funds | | | |
| Unit capital | 1 | 56,043,486 | 26,041,622 |
| Reserves and surplus | 2 | 17,807,029 | 2,251,840 |
| Current liabilities and provisions | 3 | 1,842,829 | 124,358 |
| Borrowings | | - | - |
| Total | | 75,693,344 | 28,417,820 |
| Application of funds | | | |
| Investments (long term and short term) | 4 | 73,738,300 | 27,899,356 |
| Deposits | 5 | - | - |
| Other current assets | 6 | 1,955,044 | 518,464 |
| Total | | 75,693,344 | 28,417,820 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 73,850,515 | 28,293,462 |
| (b) Number of units outstanding | | 5,604,349 | 2,604,162 |
| (c) NAV per unit (a)/(b) (₹) (Refer note 2.8 (II)) | | 13.1774 | 10.8647 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme E Tier II | |
|---|----------|-------------------|------------------|
| | | March 31, 2014 | March 31, 2013 |
| Income from investments | | | |
| Interest income | | - | - |
| Dividend income | | 668,383 | 29,024 |
| Net profit/(loss) on sale/redemption of investments (other than inter-scheme transfer/sale) | | 817,026 | 1,386,431 |
| Net profit/(loss) on inter-scheme transfer/sale of investments | | - | - |
| Unrealised gain on appreciation in investments | | 8,670,298 | 975,033 |
| Total income (A) | | 10,155,707 | 2,390,488 |
| Expenses and losses | | | |
| Unrealised losses in value of investments | | 225,136 | 1,066,334 |
| Provision for outstanding accrued income considered doubtful | | - | - |
| Provision for doubtful deposits and current assets | | - | - |
| Management fees (including service tax) [Refer Note 2.4] | | 124,551 | 4,738 |
| Trusteeship/regulatory fees | | - | - |
| Publicity expenses | | - | - |
| Audit fees | | - | - |
| Custodian fees | | 3,695 | (900) |
| Trustee bank fees | | 19 | 654 |
| CRA fees | | 21,683 | 16,980 |
| Less : Amount recovered on sale of units on account of CRA charges | | (21,683) | (16,980) |
| Total expenditure (B) | | 353,400 | 1,070,826 |
| Net income/(expenditure) for the year (A-B) appropriated to Balance Sheet | | 9,802,307 | 1,319,662 |
| Balance at the beginning of the year | | 800,535 | (519,127) |
| Balance at the end of the year carried to Balance Sheet | | 10,602,842 | 800,535 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER II
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme E Tier II | |
|------------------------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Initial capital | - | - |
| Unit capital | | |
| Opening balance | 26,041,622 | 14,353,525 |
| Additions during the year | 33,332,883 | 16,670,660 |
| Deduction during the year | (3,331,019) | (4,982,563) |
| Closing balance | 56,043,486 | 26,041,622 |
| Number of units of face value ₹ 10 | 5,604,349 | 2,604,162 |

Schedule 2 : Reserves and surplus

(In ₹)

| Particulars | Scheme E Tier II | |
|---|-------------------|------------------|
| | March 31, 2014 | March 31, 2013 |
| Unit premium reserve | | |
| Opening balance | 1,451,305 | 370,505 |
| Additions during the year | 6,288,886 | 1,105,165 |
| Deduction during the year | (536,003) | (24,365) |
| Closing balance | 7,204,187 | 1,451,305 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 800,535 | (519,127) |
| Additions during the year | 9,802,307 | 1,319,662 |
| Deduction during the year | - | - |
| Closing balance | 10,602,842 | 800,535 |
| General reserve* | - | - |
| Appropriation account* | - | - |
| Total | 17,807,029 | 2,251,840 |

* The balances have been nil throughout the year

Schedule 3 : Current liabilities and provisions

(In ₹)

| Particulars | Scheme E Tier II | |
|---------------------------------------|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Current liabilities | | |
| Sundry creditors | 38,166 | 4,851 |
| Contracts for purchase of investments | 1,783,128 | - |
| Interest received in advance | - | - |
| Unclaimed distributed income | - | - |
| Pending creation of units | - | - |
| Unit redemption payable | 21,535 | 119,507 |
| Provisions | - | - |
| Total | 1,842,829 | 124,358 |

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME E TIER II
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

| Particulars | Scheme E Tier II | |
|--|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Equity shares | 73,288,166 | 27,899,356 |
| Preference shares | - | - |
| Debentures and bonds | - | - |
| Central and state government securities (including treasury bills) | - | - |
| Commercial Paper | - | - |
| Others - Mutual funds | 450,134 | - |
| Total | 73,738,300 | 27,899,356 |

Schedule 5: Deposits

(In ₹)

| Particulars | Scheme E Tier II | |
|-------------------------------|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Deposits with scheduled banks | - | - |
| Others | - | - |
| Total | - | - |

Schedule 6: Other current assets

(In ₹)

| Particulars | Scheme E Tier II | |
|--|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Balances with banks in current/saving account | 8,404 | 77,820 |
| Cash on hand | - | - |
| Sundry debtors | - | 117,672 |
| Contracts for sale of investments | 1,902,161 | 309,299 |
| Outstanding and accrued income | - | - |
| Advance, deposits etc. | - | - |
| Shares/debentures/others application money pending allotment | - | - |
| Others - Dividend receivable | 44,479 | 13,673 |
| Total | 1,955,044 | 518,464 |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

Schedule 7

Significant accounting policies and notes to accounts for the year ended March 31, 2014

1.1 Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is appointed as a Pension Fund Manager ('PFM') by the National Pension System Trust ('NPS'). The Company has entered into an Investment Management Agreement ('IMA') with NPS. The Pension Fund Regulatory and Development Authority ('PFRDA') guidelines require each PFM to manage subscribers' funds made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA') at a consolidated level. The Company makes investments as per the IMA, various other circulars/guidelines issued by the PFRDA in this context from time to time and the scheme wise flow of funds.

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 underlying 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

1.2 Basis of preparation

The financial statements have been prepared in accordance with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 ('Guidelines'), Accounting Standards ('AS') notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent made applicable by the Guidelines and generally accepted accounting principles. The Guidelines specifically exempt the schemes from the applicability of AS 3 (Cash Flow Statement) and AS 17 (Segmental Reporting). 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.

1.3 Investments

Purchase and sale of securities are accounted on trade date. Investments are reconciled with the custodian records on daily basis. The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

Valuation of Investments

All investments are marked to market and are carried in the Balance Sheet at the market value as on Balance Sheet date/date of determination/date of valuation. Unrealised gain/(loss), if any, is transferred to Revenue account.

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

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

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.

Income earned on investments

Dividend income is recognised on the 'ex-dividend date'. Bonus shares to which the scheme becomes entitled are recognized only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Similarly, rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

Profit or loss on sale of equity shares/mutual fund units is the difference between the sale consideration net of expenses, if any and the weighted average book cost.

1.4 Units reconciliation

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

1.5 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.

1.6 Other expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges were recognised when they were debited by the trustee bank on a quarterly basis. The trustee bank has discontinued levying charges with effect from July 01, 2013.

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

Notes to accounts

2.1 Contingent liabilities

(In ₹)

| Particulars | At March 31, 2014 | At March 31, 2013 |
|--|----------------------|----------------------|
| 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

Related parties and nature of relationship.

| Nature of relationship | Name of the related party |
|--|---|
| Pension fund manager | ICICI Prudential Pension Funds Management Company Limited |
| Sponsor company | ICICI Prudential Life Insurance Company Limited |
| Associates and group companies - Holding company of sponsor | ICICI Bank Limited |

The following represents significant transactions between the Scheme and its related parties.

(In ₹)

| Name of related party | Nature of transaction | Transactions for the year ended | | Amount recoverable/ (payable) | |
|---|----------------------------|---------------------------------|-------------------|-------------------------------|----------------------|
| | | March 31, 2014 | March 31, 2013 | At March 31, 2014 | At March 31, 2013 |
| ICICI Prudential Pension Funds Management Company Limited | Investment management fees | 124,551 | 4,738 | (35,728) | (4,612) |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

Aggregate investments made by the scheme in the associates and group companies are as follows:

(In ₹)

| Period | Security | Asset type | Cost | Market value |
|-------------------|--------------------|------------|-----------|--------------|
| At March 31, 2014 | ICICI Bank Limited | Equity | 4,075,136 | 4,713,759 |
| At March 31, 2013 | ICICI Bank Limited | Equity | 1,892,105 | 1,824,919 |

2.4 Investment management fees

The Company has started charging investment management fee of 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from March 11, 2013, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012. The investment management fees charged upto March 10, 2013 was 0.0009% per annum.

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

Aggregate value of purchase and sale with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 165,709,311 | 69,666,063 |
| % to average net assets | 373.7% | 347.7% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 66,717,417 | 69,271,993 |
| % to average net assets | 150.47% | 345.8% |

*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 investment in the major classification of the financials) are disclosed as under:

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier II**

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Mutual funds | 450,134 | 100.00% | - | - |
| Mutual funds | 450,134 | 100.00% | - | - |
| Equity shares | 73,288,166 | 100.00% | 27,899,356 | 100.00% |
| Monetary intermediation of commercial banks, saving banks | 15,187,829 | 20.72% | 5,780,297 | 20.72% |
| Writing ,modifying, testing of computer program to meet the needs | 11,785,021 | 16.08% | 3,886,720 | 13.93% |
| Manufacture of cigarettes, cigarette tobacco | 6,312,487 | 8.61% | 2,611,139 | 9.36% |
| Manufacture of refined petroleum products | 4,754,271 | 6.49% | 1,956,210 | 7.01% |
| Activities of specialized institutions granting credit for house purchases that also take deposits | 4,520,265 | 6.17% | 1,966,475 | 7.05% |
| Manufacture of allopathic pharmaceutical preparations | 3,850,787 | 5.25% | 1,451,903 | 5.20% |
| Others | 26,877,507 | 36.67% | 10,246,611 | 36.73% |
| Net current assets | 112,215 | 100.00% | 394,106 | 100.00% |
| Net assets value | 73,850,515 | 100.00% | 28,293,462 | 100.00% |

2.7 Statement of portfolio holding as on March 31, 2014

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------|-------------------------|---------------------|
| Equity securities | | 65,484,731 | 73,288,166 |
| ITC Limited | 17,890 | 5,724,408 | 6,312,487 |
| Infosys Limited | 1,583 | 4,791,384 | 5,196,672 |
| Reliance Industries Limited | 5,108 | 4,358,138 | 4,754,271 |
| ICICI Bank Limited | 3,786 | 4,075,136 | 4,713,759 |
| HDFC Bank Limited | 6,078 | 4,063,252 | 4,551,206 |
| Housing Development Finance Corporation | 5,114 | 4,119,274 | 4,520,265 |
| Larsen & Toubro Limited | 2,672 | 2,581,451 | 3,398,517 |
| Tata Consultancy Services Limited | 1,557 | 2,747,955 | 3,321,315 |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier II**

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|--------------|--------------------------------|----------------------------|
| Tata Motors Limited | 5,893 | 1,947,377 | 2,349,244 |
| State Bank Of India | 1,014 | 1,676,077 | 1,944,548 |
| ONGC Corporation Limited | 5,802 | 1,763,727 | 1,849,097 |
| Axis Bank Limited | 1,018 | 1,304,753 | 1,486,789 |
| Mahindra & Mahindra Limited | 1,510 | 1,378,726 | 1,480,857 |
| Sun Pharma Limited | 2,468 | 1,197,337 | 1,418,483 |
| Hindustan Unilever Limited | 2,320 | 1,247,291 | 1,404,876 |
| Bharti Airtel Limited | 3,955 | 1,265,281 | 1,256,701 |
| HCL Technologies Limited | 877 | 876,946 | 1,219,644 |
| Wipro Limited | 2,143 | 1,079,861 | 1,164,078 |
| Dr. Reddy Laboratories | 416 | 941,459 | 1,066,582 |
| Kotak Mahindra Bank Limited | 1,249 | 871,967 | 975,531 |
| Bajaj Auto Limited | 440 | 851,158 | 916,784 |
| Hero Motocorp Limited | 394 | 756,197 | 896,271 |
| Tech Mahindra Limited | 492 | 904,945 | 883,312 |
| Tata Steel Limited | 2,186 | 732,552 | 861,175 |
| Maruti Suzuki India Limited | 434 | 655,924 | 855,740 |
| Asian Paints Limited | 1,485 | 702,381 | 813,706 |
| NTPC Limited | 6,752 | 948,870 | 809,565 |
| Sesa Sterlite Limited | 4,053 | 731,606 | 764,193 |
| Power Grid Corporation Of India Limited | 7,223 | 738,560 | 758,415 |
| Lupin Limited | 783 | 635,315 | 730,656 |
| Ultratech Cement Limited | 334 | 611,321 | 730,441 |
| Indusind Bank | 1,397 | 612,614 | 701,084 |
| UNITED SPIRITS LIMITED | 252 | 671,202 | 667,157 |
| Cairn India Limited | 1,938 | 599,270 | 645,354 |
| Cipla Limited | 1,659 | 643,744 | 635,065 |
| Grasim Industries Limited | 208 | 585,331 | 600,714 |
| Coal India Limited | 2,071 | 549,643 | 598,001 |
| Hindalco Industries Limited | 4,218 | 449,132 | 597,902 |
| GAIL (India) Limited | 1,473 | 495,964 | 553,922 |
| Tata Power Limited | 5,990 | 463,304 | 510,049 |
| Bharat Heavy Electricals Limited | 2,590 | 477,137 | 507,770 |
| Ambuja Cements Limited | 2,510 | 449,148 | 507,522 |
| Infrastructure Development Finance Limited | 4,102 | 477,171 | 501,470 |
| Bank of Baroda | 628 | 415,703 | 452,631 |
| Associated Cement Companies Limited | 307 | 376,921 | 429,662 |
| Bharat Petroleum Corp Limited | 848 | 318,194 | 390,122 |
| Punjab National Bank | 487 | 344,863 | 362,279 |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier II**

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---------------------------------------|--------------|--------------------------------|----------------------------|
| NMDC Limited | 2,599 | 334,875 | 361,911 |
| Jindal Steel & Power Limited | 1,208 | 366,093 | 353,280 |
| DLF Limited | 1,463 | 297,589 | 258,146 |
| Idea Cellular Limited | 1,699 | 276,204 | 233,528 |
| Tata Power Limited - Rights Issue | 613 | - | 15,417 |
| Mutual Funds | | 450,000 | 450,134 |
| IDFC Cash fund – Direct Plan - Growth | 288.96 | 450,000 | 450,134 |
| Total | | 6,54,84,731 | 73,738,300 |

Statement of portfolio holding as on March 31, 2013

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------------|--------------------------------|----------------------------|
| Equity securities | | | |
| ITC Limited | 8,438 | 2,479,728 | 2,611,139 |
| Infosys Limited | 744 | 2,143,911 | 2,149,676 |
| Housing Development Finance Corporation Limited | 2,380 | 1,878,705 | 1,966,475 |
| Reliance Industries Limited | 2,531 | 2,126,585 | 1,956,210 |
| ICICI Bank Limited | 1,746 | 1,892,105 | 1,824,919 |
| HDFC Bank Limited | 2,842 | 1,832,139 | 1,777,245 |
| Tata Consultancy Services Limited | 786 | 1,161,987 | 1,238,540 |
| Larsen & Toubro Limited | 834 | 1,188,739 | 1,139,411 |
| ONGC Corporation Limited | 2,729 | 870,106 | 849,811 |
| State Bank Of India | 398 | 868,639 | 824,955 |
| Hindustan Unilever Limited | 1,583 | 719,329 | 739,182 |
| Tata Motors Limited | 2,726 | 791,707 | 733,703 |
| Axis Bank Limited | 494 | 688,964 | 642,546 |
| Mahindra & Mahindra Limited | 707 | 631,180 | 608,939 |
| Bharti Airtel Limited | 1,845 | 580,630 | 538,279 |
| Sun Pharma Limited | 580 | 465,605 | 474,991 |
| NTPC Limited | 3,179 | 479,119 | 451,259 |
| Kotak Mahindra Bank Limited | 595 | 392,383 | 388,535 |
| Bajaj Auto Limited | 207 | 411,751 | 372,507 |
| Dr. Reddy Laboratories | 195 | 347,843 | 344,468 |
| Asian Paints Limited | 70 | 311,702 | 344,208 |
| HCL Technologies Limited | 406 | 293,697 | 322,770 |
| Tata Steel Limited | 1,028 | 366,977 | 321,610 |
| Coal India Limited | 974 | 312,924 | 301,063 |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|-------|-------------------------|---------------------|
| Cipla Limited | 783 | 292,883 | 297,344 |
| Ultratech Cement Limited | 156 | 298,317 | 291,556 |
| Grasim Industries Limited | 98 | 294,981 | 275,703 |
| Infrastructure Development Finance Limited | 1,906 | 293,507 | 273,702 |
| Maruti Suzuki India Limited | 204 | 291,856 | 261,365 |
| Cairn India Limited | 912 | 276,139 | 248,474 |
| Tata Power Limited | 2,497 | 243,634 | 240,961 |
| Power Grid Corporation Of India Limited | 2,183 | 237,411 | 230,961 |
| Lupin Limited | 367 | 219,794 | 230,678 |
| Hero Motocorp Limited | 147 | 246,012 | 226,674 |
| GAIL (India) Limited | 693 | 232,945 | 220,547 |
| Bharat Heavy Electricals Limited | 1,218 | 248,881 | 215,586 |
| Jindal Steel & Power Limited | 591 | 213,207 | 205,520 |
| Ambuja Cements Limited | 1,175 | 230,068 | 204,685 |
| Hindalco Industries Limited | 1,984 | 205,198 | 181,734 |
| Wipro Limited | 402 | 168,462 | 175,734 |
| Bank of Baroda | 259 | 189,838 | 174,929 |
| Associated Cement Companies Limited | 144 | 185,602 | 166,925 |
| Bharat Petroleum Corp Limited | 399 | 154,217 | 150,702 |
| Punjab National Bank | 205 | 170,048 | 147,170 |
| DLF Limited | 561 | 153,400 | 131,667 |
| Jaiprakash Associates Limited | 1,845 | 132,778 | 120,755 |
| Ranbaxy Laboratories Limited | 238 | 96,266 | 104,423 |
| Sesa Goa Limited | 601 | 96,549 | 93,456 |
| Reliance Infrastructure Limited | 209 | 95,842 | 67,810 |
| Siemens Limited | 69 | 36,654 | 37,857 |
| Total | | 28,540,948 | 27,899,356 |

2.8 Key statistics

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------------|---------------------------------|
| 1. NAV per unit (₹) ⁱ (based on published NAV) | | |
| Open | 10.8650 | 9.8965 |
| High | 13.1615 | 11.6319 |
| Low | 10.2411 | 9.2241 |
| End ⁱⁱ | 13.1615 | 10.8650 |
| | | |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier II**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| 2. Closing Assets Under Management (₹ in Lakhs) | | |
| End | 738.51 | 282.93 |
| Average daily net assets (AAUM) ⁱⁱⁱ | 443.40 | 200.34 |
| | | |
| 3. Gross income as % of AAUM ^{iv} | 3.35% | 7.07% |
| | | |
| 4. Expense ratio | | |
| a. Total expense as % of AAUM (scheme wise) ^v | 0.2893% | 0.0224% |
| b. Management fee as % of AAUM (scheme wise) | 0.2809% | 0.0237% |
| | | |
| 5. Net income as % of AAUM ^{vi} | 3.06% | 7.05% |
| | | |
| 6. Portfolio turnover ratio ^{vii} | 34.48% | 142.22% |
| | | |
| 7. Total dividend per unit distributed during the period | - | - |
| | | |
| 8. Returns: (%) | | |
| a. Last one year | 21.14% | 9.79% |
| Benchmark | 19.33% | 8.72% |
| b. Since inception | 31.62% | 8.65% |
| Benchmark | 33.94% | 12.25% |
| c. Compound annualised yield (%) ^{viii} | | |
| Last 1 year | 21.14% | 9.84% |
| Last 3 year | 6.03% | 2.70% |
| Last 5 year | NA | NA |
| Since launch of the scheme | 6.74% | 2.62% |
| Launch Date | January 11, 2010 | |
| | | |
| 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. The last NAV published was on March 28, 2014 of ₹ 10.8650 since it was the last business day of the financial year. However, since equity markets were operational on March 31, 2014, it was directed by the NPS trust in its review of audit process meeting held on April 09, 2014 to value the investments on prices of March 31, 2014 to reflect the correct AUM as on Balance Sheet date. Accordingly, the NAV computed at March 31, 2014 is ₹ 13.1774. Since March 31, 2014 was a non business day, no transactions were conducted by the subscribers and hence the NAV computed for March 31, 2014 is for disclosure purpose only and does not have any impact on the subscribers. | | |

**ICICI Prudential Pension Funds Management Company Limited -
Scheme E Tier II**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| III. AAUM = Average daily net assets | | |
| IV. Gross income = Income includes Interest income, Dividend income and Net profit/(loss) on sale of investments | | |
| V. Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes unrealised loss | | |
| VI. Net income = Gross income less Total expenses (excludes unrealised gain/loss) | | |
| 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: = $((1 + \text{cumulative return})^n - 1)$ (where $n=365/\text{no. of days}$) | | |

ICICI Prudential Pension Funds Management Company Limited - Scheme E Tier II

2.9 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation in line with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of the Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

Date : April 21, 2014

Place : Mumbai

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :

Place :

**ICICI Prudential Pension Funds Management
Company Limited - Scheme C Tier II**

Financial Statements for the year ended March 31, 2014

ICICI Prudential Pension Funds Management Company Limited - Scheme C Tier II

Financial Statements

For the year ended March 31, 2014

Contents

Balance Sheet

Revenue account

Accounting Policies and Notes to Accounts

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER II
BALANCE SHEET AT MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme C Tier II | |
|--|----------|-------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| Sources of funds | | | |
| Unit capital | 1 | 56,468,547 | 36,175,188 |
| Reserves and surplus | 2 | 29,420,698 | 15,682,359 |
| Current liabilities and provisions | 3 | 56,819 | 75,167 |
| Borrowings | | - | - |
| Total | | 85,946,064 | 51,932,714 |
| Application of funds | | | |
| Investments (long term and short term) | 4 | 82,635,211 | 49,696,733 |
| Deposits | 5 | - | - |
| Other current assets | 6 | 3,310,853 | 2,235,981 |
| Total | | 85,946,064 | 51,932,713 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 85,889,245 | 51,857,547 |
| (b) Number of units outstanding | | 5,646,855 | 3,617,519 |
| (c) NAV per unit (a)/(b) (₹) (Refer note 2.8 (II)) | | 15.2101 | 14.3351 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER II
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme C Tier II | |
|---|--------------|-------------------|------------------|
| | | March 31, 2014 | March 31, 2013 |
| Income from investments | | | |
| Interest income | | 5,892,078 | 3,351,463 |
| Dividend income | | - | - |
| Net profit/(loss) on sale/redemption of investments (other than inter-scheme transfer/sale) | | 309,466 | 168,079 |
| Net profit/(loss) on inter-scheme transfer/sale of investments | | 349 | - |
| Unrealised gain on appreciation in investments | | 275,222 | 1,381,681 |
| Total income (A) | Total | 6,477,115 | 4,901,223 |
| Expenses and losses | | | |
| Unrealised losses in value of investments | | 2,283,941 | 5,297 |
| Provision for outstanding accrued income considered doubtful | | - | - |
| Provision for doubtful deposits and current assets | | - | - |
| Management fees (including service tax) [Refer Note 2.4] | | 184,972 | 8,656 |
| Trusteeship/regulatory fees | | - | - |
| Publicity expenses | | - | - |
| Audit fees | | - | - |
| Custodian fees | | 5,097 | 2,769 |
| Trustee bank fees | | 34 | 134 |
| CRA fees | | 14,572 | 11,718 |
| Less : Amount recovered on sale of units on account of CRA charges | | (14,572) | (11,718) |
| Total expenditure (B) | | 2,474,044 | 16,856 |
| Net income/(expenditure) for the year (A-B) appropriated to Balance Sheet | | 4,003,071 | 4,884,367 |
| Balance at the beginning of the year | | 7,231,857 | 2,347,490 |
| Balance at the end of the year carried to Balance Sheet | | 11,234,928 | 7,231,857 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman
Vishal Mehta

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME C TIER II
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme C Tier II | |
|------------------------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Initial capital | - | - |
| Unit capital | | |
| Opening balance | 36,175,188 | 20,689,130 |
| Additions during the year | 23,464,558 | 18,302,847 |
| Deduction during the year | (3,171,199) | (2,816,789) |
| Closing balance | 56,468,547 | 36,175,188 |
| Number of units of face value ₹ 10 | 5,646,855 | 3,617,519 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme C Tier II | |
|---|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Unit premium reserve | | |
| Opening balance | 8,450,502 | 3,058,261 |
| Additions during the year | 23,464,558 | 6,294,409 |
| Deduction during the year | (3,171,199) | (902,168) |
| Closing balance | 18,185,770 | 8,450,502 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 7,231,857 | 2,347,490 |
| Additions during the year | 4,003,071 | 4,884,367 |
| Deduction during the year | - | - |
| Closing balance | 11,234,928 | 7,231,857 |
| General reserve* | - | - |
| Appropriation account* | - | - |
| Total | 29,420,698 | 15,682,359 |

* The balances have been nil throughout the year

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme C Tier II | |
|---------------------------------------|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Current liabilities | | |
| Sundry creditors | 50,833 | 11,081 |
| Contracts for purchase of investments | - | - |
| Interest received in advance | - | 3,356 |
| Unclaimed distributed income | - | - |
| Pending creation of units | - | - |
| Unit redemption payable | 5,986 | 60,730 |
| Provisions | - | - |
| Total | 56,819 | 75,167 |

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - TIER II SCHEME C
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

| Particulars | Scheme C Tier II | |
|---|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Equity shares | - | - |
| Preference shares | - | - |
| Debentures and bonds | 81,494,872 | 49,167,446 |
| Central and state government securities (including treasury bills) | - | - |
| Commercial Paper | - | - |
| Others - Mutual funds | 1,140,339 | 529,287 |
| Total | 82,635,211 | 49,696,733 |

Schedule 5: Deposits

(In ₹)

| Particulars | Scheme C Tier II | |
|-------------------------------|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Deposits with scheduled banks | - | - |
| Others | - | - |
| Total | - | - |

Schedule 6: Other current assets

(In ₹)

| Particulars | Scheme C Tier II | |
|--|------------------|------------------|
| | March 31, 2014 | March 31, 2013 |
| Balances with banks in current/saving account | 195,828 | 156,161 |
| Cash on hand | - | - |
| Sundry debtors | - | - |
| Contracts for sale of investments | - | - |
| Outstanding and accrued income | 3,115,025 | 2,079,820 |
| Advance, deposits etc. | - | - |
| Shares/debentures/others application money pending allotment | - | - |
| Others - Dividend receivable | - | - |
| Total | 3,310,853 | 2,235,981 |

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

Schedule 7

Significant accounting policies and notes to accounts for the year ended March 31, 2014

1.1 Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is appointed as a Pension Fund Manager ('PFM') by the National Pension System Trust ('NPS'). The Company has entered into an Investment Management Agreement ('IMA') with NPS. The Pension Fund Regulatory and Development Authority ('PFRDA') guidelines require each PFM to manage subscribers' funds made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA') at a consolidated level. The Company makes investments as per the IMA, various other circulars/guidelines issued by the PFRDA in this context from time to time and the scheme wise flow of funds.

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 underlying 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

1.2 Basis of preparation

The financial statements have been prepared in accordance with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 ('Guidelines'), Accounting Standards ('AS') notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent made applicable by the Guidelines and generally accepted accounting principles. The Guidelines specifically exempt the schemes from the applicability of AS 3 (Cash Flow Statement) and AS 17 (Segmental Reporting). 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.

1.3 Investments

Purchase and sale of securities are accounted on trade date. Investments are reconciled with the custodian records on daily basis. The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

Valuation of investments

All investments are marked to market and are carried in the Balance Sheet at the market value as on Balance Sheet date/date of determination/date of valuation. Unrealised gain/(loss), if any, is transferred to Revenue account.

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

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

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 agency(ies) entrusted for the said purpose by Association of Mutual Funds in India (AMFI) to arrive at the yield for pricing the security.

Debt securities other than Government securities with a residual maturity upto 60 days are valued at weighted average traded price on that day. When such securities are not traded on a 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 floor 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.

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

Income earned on investments

Interest income on investments is recognised on daily accrual basis. In respect of investments 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 is credited to interest recoverable account and not included in sale value. Accretion of discount/amortization of premium relating to debt securities is 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, if any 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, if any and the weighted average book cost.

Non-performing assets (NPA)

An investment is regarded as NPA, if interest/principal or both amount has not been received or has remained outstanding for one quarter from the day such income/installment has fallen due. Further the Company also classifies following assets as impaired.

1. In case of investments, securities where the certificates, if any, are not traceable for a protracted period

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

2. In case of assets, other than investments, where in the opinion of the Board of Directors, there is a substantial diminution in value.

Where income receivable on investments has accrued but has not been received for one quarter beyond the due date, provision shall be made by debiting to the Revenue account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on NPAs shall be recognised on cash basis.

1.4 Units reconciliation

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

1.5 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.

1.6 Other expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges were recognised when they were debited by the trustee bank on a quarterly basis. The trustee bank has discontinued levying charges with effect from July 01, 2013.

Notes to accounts

2.1 Contingent liabilities

| Particulars | (In ₹) | |
|--------------------|------------------------------|------------------------------|
| | At March 31, 2014 | At March 31, 2013 |
| Other commitments | Nil | Nil |

2.2 Investments

All investments and deposits under the scheme are performing assets, hence no provisions for doubtful deposits, debts and for doubtful outstandings and accrued income are required to be made. All the investments of the Schemes are in the name of the NPS Trust.

Aggregate value of non-traded investments as on March 31, 2014 is ₹ 59,533,455 (Previous year ₹ 46,163,294). Non traded securities as per the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 are those securities that are not traded on any stock exchange for a

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

period of 30 days prior to the valuation date. They are valued at yield to maturity basis, by using spreads over the benchmark rate.

2.3 Details of transactions with sponsor and its related parties

Related parties and nature of relationship.

| Nature of relationship | Name of the related party |
|---|---|
| Pension fund manager | ICICI Prudential Pension Funds Management Company Limited |
| Sponsor company | ICICI Prudential Life Insurance Company Limited |
| Associates and group companies - Holding company of sponsor | ICICI Bank Limited |

The following represents significant transactions between the Scheme and its related parties.

(In ₹)

| Name of related party | Nature of transaction | Transactions for the year ended | | Amount recoverable/ (payable) | |
|---|----------------------------|---------------------------------|----------------|-------------------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 | At March 31, 2014 | At March 31, 2013 |
| ICICI Prudential Pension Funds Management Company Limited | Investment management fees | 184,972 | 8,656 | (47,717) | (8,409) |
| ICICI Prudential Life Insurance Company Limited | Purchase of investments | - | 3,008,975 | - | - |
| | Sale of investments | - | 1,242,384 | - | - |

Aggregate investments made by the scheme in the associates and group companies at March 31, 2014 is Nil (Previous year: Nil).

2.4 Investment management fees

The Company has started charging investment management fee of 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from March 11, 2013, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012. The investment management fees charged upto March 10, 2013 was 0.0009% per annum.

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

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

Aggregate value of purchase and sale with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------------|---------------------------------|
| Aggregate value of purchase and sale | 585,074,673 | 132,268,569 |
| % to average daily net assets | 888.51% | 341.6% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------------|---------------------------------|
| Aggregate value of purchase and sale | 69,261,902 | 26,242,028 |
| % to average net assets | 105.18% | 67.8% |

*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 investment in the major classification of the financials) is disclosed as under:

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|--|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Mutual funds | 1,140,339 | 100.00% | 529,287 | 100.00% |
| Mutual funds | 1,140,339 | 100.00% | 529,287 | 100.00% |
| Non-convertible debenture | 81,494,872 | 100.00% | 49,167,446 | 100.00% |
| Activities of specialized institutions granting credit for house purchases that also take deposits | 16,111,635 | 19.77% | - | - |
| Other credit granting | 15,560,851 | 19.09% | 4,012,245 | 8.16% |
| Activities of providing internet access by operator of the wired infrastructure | 13,558,622 | 16.64% | 14,044,282 | 28.56% |
| Activities of holding companies | 8,029,260 | 9.85% | 12,499,906 | 25.42% |

**ICICI Prudential Pension Funds Management Company Limited –
Scheme C Tier II**

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|---|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Electric power generation by coal based thermal power plants | 7,050,729 | 8.65% | 5,114,280 | 10.40% |
| Manufacture of Aluminium from alumina and by other methods and products of aluminium and alloys | 6,818,476 | 8.37% | - | - |
| Activities of commission agents, brokers dealing in wholesale trade of agricultural raw material, live animals, food, beverages, intoxicants and textiles | 5,076,420 | 6.23% | - | - |
| Transmission of electric energy | 4,767,720 | 5.85% | - | - |
| Other financial service activities, except insurance & pension funding | 4,521,159 | 5.55% | 1,506,150 | 3.06% |
| Service activities incidental to water transportation | - | - | 10,858,040 | 22.08% |
| Others | - | - | 1,132,543 | 2.32% |
| Net current assets | 3,254,033 | 100.00% | 2,160,814 | 100.00% |
| Net asset value | 85,889,245 | 100.00% | 51,857,547 | 100.00% |

2.7 Statement of portfolio holding as on March 31, 2014

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|---------|-------------------------|---------------------|
| Mutual Funds | | 1,140,000 | 1,140,339 |
| IDFC Cash fund - Direct Plan –Growth | 732.03 | 1,140,000 | 1,140,339 |
| Non convertible debentures | | 81,509,678 | 81,494,872 |
| 8.95% Infotel Broadband Services Limited 2020 (15-September-2020) | 140,000 | 13,545,864 | 13,558,622 |
| 9.80% LIC Housing Finance Limited 2017 (22-October-2017) | 80,000 | 8,005,400 | 8,085,896 |
| 9.80 % Talwandi Sabo Power Limited 2023 (09-December-2023). | 70,000 | 6,959,200 | 7,050,729 |
| 9.55% Hindalco Industries Limited 2022 (25-April-2022) | 70,000 | 7,028,210 | 6,818,476 |
| 8.75% IRFC 2026 (29-November-2026). | 70,000 | 6,821,193 | 6,684,132 |

**ICICI Prudential Pension Funds Management Company Limited –
Scheme C Tier II**

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------------|--------------------------------|----------------------------|
| 9.95% Food Corporation of India Limited 2022 (07-March-2022) | 50,000 | 4,997,000 | 5,076,420 |
| 9.90% HDFC 2018 (29-December-2018) | 50,000 | 5,001,000 | 5,061,235 |
| 9.70% Tata Sons Limited 2022 (25-July-2022) | 50,000 | 5,001,000 | 5,021,610 |
| 8.87% Rural Electrification Corporation Limited (08-March-2020) | 50,000 | 4,912,702 | 4,838,155 |
| 8.73% Power Grid Corporation 2021 (11-October-2021) | 50,000 | 4,769,105 | 4,767,720 |
| 9.81% Power Finance Corporation Limited 2018 (07-October-18). | 40,000 | 4,022,904 | 4,038,564 |
| 10.75% Shriram Transport Finance Company Limited 2018 (24-October-2018) | 30,000 | 3,000,000 | 3,020,307 |
| 9.67% Tata Sons Limited 2022 (13-September-2022) | 30,000 | 3,000,600 | 3,007,650 |
| 9.18% HDFC 2018 (12-February-2018) | 30,000 | 2,945,400 | 2,964,504 |
| 10.25% Shriram Transport Finance Company Limited (18-April-2015) | 10,000 | 1,003,000 | 1,002,267 |
| 9.75% Shriram Transport Finance Company Limited (01-June-2015) | 5,000 | 497,100 | 498,585 |
| Total | | 82,649,678 | 82,635,211 |

Statement of portfolio holding as on March 31, 2013

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------------|--------------------------------|----------------------------|
| Mutual fund | | 527,793 | 529,287 |
| IDFC Cash fund - Direct Plan –Growth | 372 | 527,793 | 529,287 |
| Non-convertible debenture | | 47,174,688 | 49,167,446 |
| 8.95% Infotel Broadband Services Limited 2020 (15-September-2020) | 140,000 | 13,545,864 | 14,044,282 |
| 10.40 % Reliance Ports & Terminals Ltd 2021 (18- July-2021) | 100,000 | 10,124,780 | 10,858,040 |
| 9.70% Tata Sons Limited 2022 (25-July-2022) | 50,000 | 5,001,000 | 5,248,390 |
| 9.80 % Talwandi Sabo Power Limited 2023 (09-December-2023). | 50,000 | 4,970,400 | 5,114,280 |
| 9.67% Tata Sons Limited 2022 (13-September-2022) | 30,000 | 3,000,600 | 3,144,480 |
| 9.90% Tata Sons Limited 2016 (18-March-2016) | 30,000 | 3,015,051 | 3,080,805 |

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|--------|-------------------------|---------------------|
| 8.87% Rural Electrification Corporation Limited 2020 (8-March-2020) | 30,000 | 3,000,900 | 3,004,152 |
| 3% Tata Bluescope Limited 2015 (27-September-2015) | 10,000 | 1,009,000 | 1,132,543 |
| 9.90% Tata Sons Limited 2016 (24-February-2016) | 10,000 | 1,003,500 | 1,026,231 |
| 8.75% IRFC 2026 (29-November-2026) | 10,000 | 1,003,493 | 1,008,093 |
| 10.25% Shriram Transport Finance Company Limited (18-April-2015) | 10,000 | 1,003,000 | 1,006,004 |
| 9.75% Shriram Transport Finance Company Limited (01-June-2015) | 5,000 | 497,100 | 500,146 |
| Total | | 47,702,481 | 49,696,733 |

2.8 Key statistics

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------|---------------------------|
| 1. NAV per unit (₹) ⁱ (based on published NAV) | | |
| Open | 14.3250 | 12.6098 |
| High | 15.1991 | 14.3321 |
| Low | 13.8559 | 12.4636 |
| End ⁱⁱ | 15.1991 | 14.3250 |
| | | |
| 2. Closing Assets Under Management (₹ in Lakhs) | | |
| End | 858.89 | 518.58 |
| Average daily net assets (AAUM) ⁱⁱⁱ | 658.49 | 387.18 |
| | | |
| 3. Gross income as % of AAUM ^{iv} | 9.42% | 9.09% |
| | | |
| 4. Expense ratio | | |
| a. Total expense as % of AAUM (scheme wise) ^v | 0.2887% | 0.0299% |
| b. Management fee as % of AAUM (scheme wise) | 0.2809% | 0.0224% |
| | | |
| 5. Net income as % of AAUM ^{vi} | 9.13% | 9.06% |
| | | |
| 6. Portfolio turnover ratio ^{vii} | 25.76% | 3.21% |
| | | |
| 7. Total dividend per unit distributed during the period | - | - |
| | | |

**ICICI Prudential Pension Funds Management Company Limited –
Scheme C Tier II**

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| 8. Returns: (%) | | |
| a. Last one year | 6.10% | 13.60% |
| Benchmark | 5.36% | 11.44% |
| b. Since inception | 51.99% | 43.25% |
| Benchmark | 37.77% | 30.76% |
| c. Compound annualised yield (%) ^{viii} | | |
| Last 1 year | 6.10% | 13.68% |
| Last 3 year | 10.63% | 12.22% |
| Last 5 year | NA | NA |
| Since launch of the scheme | 10.46% | 11.85% |
| Launch Date | January 12, 2010 | |
| <p>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))</p> | | |
| <p>II. The last NAV published was on March 28, 2014 of ₹ 15.1991 since it was the last business day of the financial year. However, since equity markets were operational on March 31, 2014, it was directed by the NPS trust in its review of audit process meeting held on April 09, 2014 to value the investments on prices of March 31, 2014 to reflect the correct AUM as on balance sheet date. Accordingly, the NAV computed at March 31, 2014 is ₹ 15.2101. Since March 31, 2014 was a non business day, no transactions were conducted by the subscribers and hence the NAV computed for March 31, 2014 is for disclosure purpose only and does not have any impact on the subscribers.</p> | | |
| <p>III. AAUM = Average daily net assets</p> | | |
| <p>IV. Gross income = Income includes Interest income, Dividend income and Net profit/(loss) on sale of investments</p> | | |
| <p>V. Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes unrealised loss</p> | | |
| <p>VI. Net income = Gross income less Total expenses (excludes unrealised gain/loss)</p> | | |
| <p>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.</p> | | |
| <p>VIII. Compounded annualised yield is to be calculated based on following formula: = $((1 + \text{cumulative return})^n - 1)$ (where $n = 365/\text{no. of days}$)</p> | | |

ICICI Prudential Pension Funds Management Company Limited – Scheme C Tier II

2.9 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation in line with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of the Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

Date : April 21, 2014

Place : Mumbai

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :

Place :

**ICICI Prudential Pension Funds Management
Company Limited - Scheme G Tier II**

Financial Statements for the year ended March 31, 2014

ICICI Prudential Pension Funds Management Company Limited - Scheme G Tier II

Financial Statements

For the year ended March 31, 2014

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER II
BALANCE SHEET AT MARCH 31, 2014**

(In ₹)

| Particulars | Schedule | Scheme G Tier II | |
|--|----------|-------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 |
| Sources of funds | | | |
| Unit capital | 1 | 41,541,786 | 23,507,145 |
| Reserves and surplus | 2 | 13,440,255 | 7,262,256 |
| Current liabilities and provisions | 3 | 35,713 | 102,873 |
| Borrowings | | - | - |
| Total | | 55,017,754 | 30,872,274 |
| Application of funds | | | |
| Investments (long term and short term) | 4 | 54,398,388 | 30,032,596 |
| Deposits | 5 | - | - |
| Other current assets | 6 | 619,366 | 839,678 |
| Total | | 55,017,754 | 30,872,274 |
| (a) Net asset as per Balance Sheet (Schedule 4+5+6 -3) | | 54,982,041 | 30,769,401 |
| (b) Number of units outstanding | | 4,154,179 | 2,350,714 |
| (c) NAV per unit (a)/(b) (₹) (Refer note 2.8 (II)) | | 13.2354 | 13.0894 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

**ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER II
FUND REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

(In ₹)

| March 31, 2014 | Schedule | Scheme G Tier II | |
|---|--------------|------------------|------------------|
| | | March 31, 2014 | March 31, 2013 |
| Income from investments | | | |
| Interest income | | 3,356,887 | 1,849,460 |
| Dividend income | | - | - |
| Net profit/(loss) on sale/redemption of investments (other than inter-scheme transfer/sale) | | (1,150,594) | 693,597 |
| Net profit/(loss) on inter-scheme transfer/sale of investments | | - | - |
| Unrealised gain on appreciation in investments | | 57,351 | 605,019 |
| Total income (A) | Total | 2,263,644 | 3,148,076 |
| Expenses and losses | | | |
| Unrealised losses in value of investments | | 1,653,460 | 27,219 |
| Provision for outstanding accrued income considered doubtful | | - | - |
| Provision for doubtful deposits and current assets | | - | - |
| Management fees (including service tax) [Refer Note 2.4] | | 114,274 | 5,139 |
| Trusteeship/regulatory fees | | - | - |
| Publicity expenses | | - | - |
| Audit fees | | - | - |
| Custodian fees | | 3,275 | 1,851 |
| Trustee bank fees | | 20 | 150 |
| CRA fees | | 13,736 | 10,603 |
| Less : Amount recovered on sale of units on account of CRA charges | | (13,736) | (10,603) |
| Total expenditure (B) | | 1,771,029 | 34,359 |
| Net income/(expenditure) for the year (A-B) appropriated to Balance Sheet | | 492,615 | 3,113,717 |
| Balance at the beginning of the year | | 4,669,371 | 1,555,654 |
| Balance at the end of the year carried to Balance Sheet | | 5,161,986 | 4,669,371 |
| Significant accounting policies and notes to accounts | 7 | | |

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of Board of Directors of
ICICI Prudential Pension Funds Management
Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman
Vishal Mehta

Sandeep Batra
Director

Date : April 21, 2014
Place : Mumbai

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :
Place :

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER II
Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

| Particulars | Scheme G Tier II | |
|------------------------------------|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Initial capital | - | - |
| Unit capital | | |
| Opening balance | 23,507,145 | 17,852,934 |
| Additions during the year | 21,861,951 | 9,626,250 |
| Deduction during the year | (3,827,310) | (3,972,039) |
| Closing balance | 41,541,786 | 23,507,145 |
| Number of units of face value ₹ 10 | 4,154,179 | 2,350,714 |

Schedule 2: Reserves and surplus

(In ₹)

| Particulars | Scheme G Tier II | |
|---|-------------------|------------------|
| | March 31, 2014 | March 31, 2013 |
| Unit premium reserve | | |
| Opening balance | 2,592,885 | 1,020,610 |
| Additions during the year | 6,806,628 | 2,383,114 |
| Deduction during the year | (1,121,244) | (810,839) |
| Closing balance | 8,278,269 | 2,592,885 |
| Surplus/(deficit) in Revenue account | | |
| Opening balance | 4,669,371 | 1,555,654 |
| Additions during the year | 492,615 | 3,113,717 |
| Deduction during the year | - | - |
| Closing balance | 5,161,986 | 4,669,371 |
| General reserve* | - | - |
| Appropriation account* | - | - |
| Total | 13,440,255 | 7,262,256 |

* The balances have been nil throughout the year

Schedule 3: Current liabilities and provisions

(In ₹)

| Particulars | Scheme G Tier II | |
|---------------------------------------|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Current liabilities | | |
| Sundry creditors | 32,034 | 6,087 |
| Contracts for purchase of investments | - | - |
| Interest received in advance | - | - |
| Unclaimed distributed income | - | - |
| Pending creation of units | - | - |
| Unit redemption payable | 3,679 | 96,786 |
| Provisions | - | - |
| Total | 35,713 | 102,873 |

ICICI PRUDENTIAL PENSION FUNDS MANAGEMENT COMPANY LIMITED - SCHEME G TIER II
Schedules forming part of the financial statements

Schedule 4: Investments

(In ₹)

| Particulars | Scheme G Tier II | |
|--|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Equity shares | - | - |
| Preference shares | - | - |
| Debentures and bonds | - | - |
| Central and state government securities (including treasury bills) | 52,514,828 | 30,032,596 |
| Commercial Paper | - | - |
| Others - Mutual funds | 1,883,560 | - |
| Total | 54,398,388 | 30,032,596 |

Schedule 5: Deposits

(In ₹)

| Particulars | Scheme G Tier II | |
|-------------------------------|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Deposits with scheduled banks | - | - |
| Others | - | - |
| Total | - | - |

Schedule 6: Other current assets

(In ₹)

| Particulars | Scheme G Tier II | |
|--|------------------|----------------|
| | March 31, 2014 | March 31, 2013 |
| Balances with banks in current/saving account | 7,033 | 228,016 |
| Cash on hand | - | - |
| Sundry debtors | - | - |
| Contracts for sale of investments | - | - |
| Outstanding and accrued income | 612,332 | 611,662 |
| Advance, deposits etc. | - | - |
| Shares/debentures/others application money pending allotment | - | - |
| Others - Dividend receivable | - | - |
| Total | 619,366 | 839,678 |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

Schedule 7

Significant accounting policies and notes to accounts for the year ended March 31, 2014

1.1 Background

ICICI Prudential Pension Funds Management Company Limited ('the Company') is appointed as a Pension Fund Manager ('PFM') by the National Pension System Trust ('NPS'). The Company has entered into an Investment Management Agreement ('IMA') with NPS. The Pension Fund Regulatory and Development Authority ('PFRDA') guidelines require each PFM to manage subscribers' funds made available to it by the Trustee bank along with the data made available by the Central Recordkeeping Agency ('CRA') at a consolidated level. The Company makes investments as per the IMA, various other circulars/guidelines issued by the PFRDA in this context from time to time and the scheme wise flow of funds.

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 underlying 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

1.2 Basis of preparation

The financial statements have been prepared in accordance with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 ('Guidelines'), Accounting Standards ('AS') notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 to the extent made applicable by the Guidelines and generally accepted accounting principles. The Guidelines specifically exempt the schemes from the applicability of AS 3 (Cash Flow Statement) and AS 17 (Segmental Reporting). 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.

1.3 Investments

Purchase and sale of securities are accounted on trade date. Investments are reconciled with the custodian records on daily basis. The holding cost of investments is determined by the weighted average cost method and the cost does not include brokerage and other transaction charges.

Valuation of Investments

All investments are marked to market and are carried in the Balance Sheet at the market value as on Balance Sheet date/date of determination/date of valuation. Unrealised gain/(loss), if any, is transferred to Revenue account.

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

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

Central government as well as State government securities are valued at the average traded prices received from independent valuation agencies.

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

Income earned on investments

Interest income on investments is recognised on daily accrual basis. In respect of investments 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 is credited to interest recoverable account and not included in sale value. Accretion of discount/amortization of premium relating to debt securities is 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, if any 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, if any and the weighted average book cost.

Non-performing assets (NPA)

An investment is regarded as NPA, if interest/principal or both amount has not been received or has remained outstanding for one quarter from the day such income/installment has fallen due. Further the Company also classifies following assets as impaired.

1. In case of investments, securities where the certificates, if any, are not traceable for a protracted period
2. In case of assets, other than investments, where in the opinion of the Board of Directors, there is a substantial diminution in value.

Where income receivable on investments has accrued but has not been received for one quarter beyond the due date, provision shall be made by debiting to the Revenue account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on NPAs shall be recognised on cash basis.

The Scheme's exposure is restricted to securities of Central and State Government which has a sovereign guarantee; therefore NPA is not envisaged for the Scheme.

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

1.4 Units reconciliation

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

1.5 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.

1.6 Other expenses

Custody charges are recognised on daily accrual basis in accordance with IMA. Trustee bank charges were recognised when they were debited by the trustee bank on a quarterly basis. The trustee bank has discontinued levying charges with effect from July 01, 2013.

Notes to accounts

2.1 Contingent liabilities

| Particulars | (In ₹) | |
|-------------------|-------------------|-------------------|
| | At March 31, 2014 | At March 31, 2013 |
| Other commitments | Nil | Nil |

2.2 Investments

All investments and deposits under the scheme are performing assets, hence no provisions for doubtful deposits, debts and for doubtful outstandings and accrued income are required to be made. All the investments of the schemes are in the name of the NPS Trust. All investments are traded investments.

2.3 Details of transactions with sponsor and its related parties

Related parties and nature of relationship.

| Nature of relationship | Name of the related party |
|--------------------------------|---|
| Pension fund manager | ICICI Prudential Pension Funds Management Company Limited |
| Sponsor company | ICICI Prudential Life Insurance Company Limited |
| Associates and group companies | |
| Holding company of sponsor | ICICI Bank Limited |

The following represents significant transactions and balances between the Scheme and its related parties for the year ended March 31, 2014:

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

(In ₹)

| Name of related party | Nature of transaction | Transactions for the year ended | | Amount recoverable/ (payable) | |
|---|----------------------------|---------------------------------|----------------|-------------------------------|-------------------|
| | | March 31, 2014 | March 31, 2013 | At March 31, 2014 | At March 31, 2013 |
| ICICI Prudential Pension Funds Management Company Limited | Investment management fees | 114,274 | 5,139 | (29,968) | (4,984) |
| ICICI Prudential Life Insurance Company Limited | Purchase of investments | - | 10,796,316 | - | - |
| | Sale of investments | - | 15,478,795 | - | - |

Aggregate investments made by the scheme in the associates and group companies at March 31, 2014 is Nil (Previous year: Nil).

2.4 Investment management fees

The Company has started charging investment management fee of 0.25% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), with effect from March 11, 2013, in terms of the Pension Fund Regulatory and Development Authority's circular no. PFRDA/CIR/1/PFM/1 dated August 31, 2012. The investment management fees charged upto March 10, 2013 was 0.0009% per annum.

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

Aggregate value of purchase and sale with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 550,041,047 | 242,427,086 |
| % to average daily net assets | 1352.09% | 1028.9% |

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average daily net assets is as follows:

(In ₹)

| Particulars | Year ended March 31, 2013 | Year ended March 31, 2013 |
|--------------------------------------|---------------------------|---------------------------|
| Aggregate value of purchase and sale | 251,173,152 | 148,781,815 |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

| Particulars | Year ended March 31, 2013 | Year ended March 31, 2013 |
|-------------------------------|---------------------------|---------------------------|
| % to average daily net assets | 617.42% | 631.4% |

*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 investment in the major classification of the financials) are disclosed as under:

(In ₹)

| Investment classification | At March 31, 2014 | | At March 31, 2013 | |
|---|---------------------|-----------------------|---------------------|-----------------------|
| | Market value (In ₹) | % of investment class | Market value (In ₹) | % of investment class |
| Government securities & Treasury bills | 52,514,828 | 100.00% | 30,032,596 | 100.00% |
| Government securities & Treasury bills | 52,514,828 | 100.00% | 30,032,596 | 100.00% |
| Mutual funds | 1,883,560 | 100.00% | - | - |
| Mutual funds | 1,883,560 | 100.00% | - | - |
| Net current assets | 583,653 | 100.00% | 736,805 | 100.00% |
| Net assets value | 54,982,401 | 100.00% | 30,769,401 | 100.00% |

2.7 Statement of portfolio holding as on March 31, 2014

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|---------|-------------------------|---------------------|
| Government securities & Treasury Bills | | 53,639,809 | 52,514,828 |
| 8.28% GOI 2027 (21-September-2027) | 153,500 | 14,599,805 | 14,329,225 |
| 8.32% GOI 2032 (02-August-2032) | 127,000 | 12,082,590 | 11,801,475 |
| 8.12% GOI 2020 (10-December-2020). | 80,000 | 7,756,020 | 7,634,400 |
| 8.28% GOI 2032 (15-February-2032) | 75,000 | 7,271,200 | 6,941,250 |
| 364 Days TBILL 2014 (03-April-2014) | 50,000 | 4,988,805 | 4,998,850 |
| 9.53 Madhya Pradesh SDL(01-August-2023) | 20,000 | 2,016,000 | 2,009,040 |
| 9.67% Jharkhand SDL 2024 (12-February-2024) | 15,000 | 1,500,300 | 1,517,880 |
| 8.83% GS 2041 (12-December-2041) | 10,000 | 1,117,234 | 975,350 |
| 8.33% GOI 2036 (07-June-2036) | 10,000 | 938,700 | 925,800 |
| 7.40% GOI 2035 (09-September-2035) | 7,000 | 581,840 | 588,658 |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|--|---------|-------------------------|---------------------|
| 7.16% GOI 2023 (20-May-2023) | 5,000 | 440,100 | 438,750 |
| 9.84% Andhra Pradesh SDL 2024 (26-February-2024) | 3,000 | 301,125 | 307,575 |
| 8.24% GOI 2027 (15-February-2027) | 500 | 46,090 | 46,575 |
| 8.28% GOI 2027 (21-September-2027) | 153,500 | 14,599,805 | 14,329,225 |
| 8.32% GOI 2032 (02-August-2032) | 127,000 | 12,082,590 | 11,801,475 |
| Mutual Funds | | 1,883,000 | 1,883,560 |
| IDFC Cash fund – Direct Plan - Growth | | 1,883,000 | 1,883,560 |
| Total | | 55,522,809 | 54,398,388 |

Statement of portfolio holding as on March 31, 2013

| Security name | Units | Acquisition cost (In ₹) | Market value (In ₹) |
|---|---------|-------------------------|---------------------|
| Government securities | | 29,569,614 | 30,032,596 |
| 9.15% GOI (14-November-2024) | 100,000 | 10,788,920 | 10,764,800 |
| 8.19% GOI 2020 (16-January-2020) | 55,000 | 5,568,500 | 5,574,800 |
| 8.20% GS 2025 (24-September-2025) | 35,000 | 3,481,110 | 3,534,650 |
| 8.28% GOI 2027 (21-September-2027) | 35,000 | 3,342,500 | 3,531,500 |
| 8.33% GOI 2026 (9-July-2026) | 27,000 | 2,698,360 | 2,754,810 |
| 8.30% Fertilizer GOI 2023 (7-December-2023) | 16,000 | 1,541,600 | 1,612,880 |
| 8.33% GOI 2036 (7-June-2036) | 10,000 | 938,700 | 1,016,500 |
| 8.79% GOI 2021 (8-November-2021) | 7,000 | 712,754 | 732,480 |
| 9.01% West Bengal SDL (21-November-2022) | 3,000 | 300,590 | 307,776 |
| 8.28% GOI 2032 (15-February-2032) | 2,000 | 196,580 | 202,400 |
| Total | | 29,569,614 | 30,032,596 |

2.8 Key statistics

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------|---------------------------|
| 1. NAV per unit (₹) ⁱ (based on published NAV) | | |
| Open | 13.0838 | 11.4410 |
| High | 14.1333 | 13.1108 |
| Low | 12.2279 | 11.3936 |
| End ⁱⁱ | 13.2299 | 13.0838 |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|---|---------------------------------|---------------------------------|
| 2. Closing Assets Under Management (₹ in Lakhs) | | |
| End | 549.82 | 307.69 |
| Average daily net assets (AAUM) ⁱⁱⁱ | 406.81 | 235.62 |
| | | |
| 3. Gross income as % of AAUM ^{iv} | 5.42% | 10.79% |
| | | |
| 4. Expense ratio | | |
| a. Total expense as % of AAUM (scheme wise) ^v | 0.2890% | 0.0303% |
| b. Management fee as % of AAUM (scheme wise) | 0.2809% | 0.0218% |
| | | |
| 5. Net income as % of AAUM ^{vi} | 5.13% | 10.76% |
| | | |
| 6. Portfolio turnover ratio ^{vii} | 276.13% | 286.65% |
| | | |
| 7. Total dividend per unit distributed during the period | - | - |
| | | |
| 8. Returns: (%) | | |
| a. Last one year | 1.12% | 14.36% |
| Benchmark | 3.91% | 11.64% |
| b. Since inception | 32.30% | 30.84% |
| Benchmark | 33.14% | 28.14% |
| c. Compound annualised yield (%) ^{viii} | | |
| Last 1 year | 1.12% | 14.44% |
| Last 3 year | 7.16% | 9.00% |
| Last 5 year | NA | NA |
| Since launch of the scheme | 7.00% | 8.95% |
| Launch Date | February 8, 2010 | |
| <p>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))</p> | | |
| <p>II. The last NAV published was on March 28, 2014 of ₹ 13.2299 since it was the last business day of the financial year. However, since equity markets were operational on March 31, 2014, it was directed by the NPS trust in its review of audit process meeting held on April 09, 2014 to value the investments on prices of March 31, 2014 to reflect the correct AUM as on Balance Sheet date. Accordingly, the NAV computed at March 31, 2014 is ₹ 13.2354.</p> <p>Since March 31, 2014 was a non business day, no transactions were conducted by the subscribers and hence the NAV computed for March 31, 2014 is for disclosure purpose only and does not have any impact on the subscribers.</p> | | |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

| Particulars | Year ended March 31, 2014 | Year ended March 31, 2013 |
|--|--|--|
| III. AAUM = Average daily net assets | | |
| IV. Gross income = Income includes Interest income, Dividend income and Net profit/(loss) on sale of investments | | |
| V. Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes unrealised loss | | |
| VI. Net income = Gross income less Total expenses (excludes unrealised gain/loss) | | |
| 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: = $((1 + \text{cumulative return})^n - 1)$ (where $n = 365/\text{no. of days}$) | | |

ICICI Prudential Pension Funds Management Company Limited – Scheme G Tier II

2.9 Previous year comparatives

Previous year amounts have been regrouped and reclassified wherever necessary to conform to current year's presentation in line with the PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines - 2012.

For Borkar & Muzumdar
Chartered Accountants
Firm Registration No. 101569W

**For and on behalf of the Board of Directors
of ICICI Prudential Pension Funds
Management Company Limited**

B M Agarwal
Partner
Membership No. 33254

Sandeep Bakhshi
Chairman

Sandeep Batra
Director

Meghana Baji
Chief Executive Officer

Vishal Mehta
Company Secretary

Date : April 21, 2014

Place : Mumbai

For and on Behalf of NPS Trust

Chairman, NPS Trust Board

Chief Executive Officer

Date :

Place :