



HDFC PENSION MANAGEMENT COMPANY LIMITED

**Un-audited Financial Statements for the half year
ended September 30, 2020**

SCHEME E TIER I

SCHEME E TIER II

SCHEME C TIER I

SCHEME C TIER II

SCHEME G TIER I

SCHEME G TIER II

SCHEME A TIER I

SCHEME TAX SAVER TIER II

FINANCIAL STATEMENTS OF THE SCHEMES.....

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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme E Tier I	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	20,00,85,55,816	11,82,52,49,581
Reserves & Surplus	2	24,02,51,06,952	14,54,83,01,887
Current Liabilities and Provisions	3	10,65,90,673	7,99,01,536
Total		44,14,02,53,441	26,45,34,53,004
Assets			
Investments	4	44,06,98,21,441	26,42,63,49,702
Deposits	5	-	-
Other Current Assets	6	7,04,32,000	2,71,03,302
Total		44,14,02,53,441	26,45,34,53,004
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		44,03,36,62,768	26,37,35,51,468
(b) Number of units outstanding		2,00,08,55,581	1,18,25,24,958
(c) NAV per unit (a)/(b) (₹)		22.0074	22.3027
Significant accounting policies and notes to accounts	7		

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

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

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

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme E Tier I	
		September 30, 2020	September 30, 2019
Income			
Dividend		24,69,07,722	17,68,06,837
Profit on sale/redemption of investments		12,19,67,109	14,83,61,585
Unrealised gain on appreciation in investments		8,68,86,13,223	1,98,43,919
Other income			
- Miscellaneous Income		462	377
Total Income (A)		9,05,74,88,516	34,50,12,718
Expenses & Losses			
Unrealised losses in value of investments		30,13,006	3,221
Loss on sale/redemption of investments		12,12,14,276	11,75,86,802
Management fees (including Goods and Service Tax)		22,13,972	13,69,410
NPS Trust fees		9,38,123	2,03,432
Custodian fees		6,92,520	3,88,319
CRA fees		1,67,21,557	1,18,82,148
Less : Amount recoverable on sale of units on account of CRA Charges		(1,67,21,557)	(1,18,82,148)
Depository and settlement charges		4,26,825	49,615
Total Expenditure (B)		12,84,98,722	11,96,00,799
Surplus/(Deficit) for the year (A-B = C)		8,92,89,89,794	22,54,11,919
Less: Amount transferred to Unrealised appreciation account		(2,56,55,49,353)	(1,98,40,698)
Less: Amount transferred to General Reserve		(6,36,34,40,441)	(20,55,71,221)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Initial capital		
Unit Capital		
Outstanding at the beginning of the period	16,09,97,73,141	9,38,46,57,605
Add :Units issued during the period	4,43,02,56,416	2,73,69,17,923
Less: Units redeemed during the period	(52,14,73,741)	(29,63,25,947)
Outstanding at the end of the period	20,00,85,55,816	11,82,52,49,581
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the period	1,60,99,77,314	93,84,65,761
Add :Units issued during the period	44,30,25,642	27,36,91,792
Less: Units redeemed during the period	(5,21,47,374)	(2,96,32,595)
Outstanding Units at the end of the period	2,00,08,55,582	1,18,25,24,958

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	16,41,87,69,200	8,47,62,48,254
Add: Premium on Units issued	4,40,78,47,902	3,24,26,05,219
Less: Premium on Units redeemed	(55,19,27,677)	(35,36,89,724)
Closing balance	20,27,46,89,425	11,36,51,63,749
General Reserve		
Opening balance	(5,18,18,23,183)	63,29,08,454
Add/(Less): Transfer from/(to) Revenue Account	6,36,34,40,441	20,55,71,221
Closing balance	1,18,16,17,258	83,84,79,675
Unrealised Appreciation Reserve		
Opening balance	32,50,916	2,32,48,17,765
Add/(Less): Transfer from/(to) Revenue Account	2,56,55,49,353	1,98,40,698
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Closing balance	2,56,88,00,269	2,34,46,58,463
Total	24,02,51,06,952	14,54,83,01,887

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Current liabilities & Provisions		
Sundry creditors for expenses	18,01,263	11,01,155
Redemption Payable	2,10,96,486	1,35,64,926
TDS Payable	36,222	27,462
Contracts for purchase of investments	8,36,56,702	6,52,07,993
Total	10,65,90,673	7,99,01,536

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

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

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

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Equity shares	42,80,09,40,029	25,34,10,99,299
Others - Mutual Fund Units	1,26,88,81,412	1,08,52,50,403
Total	44,06,98,21,441	26,42,63,49,702

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Balances with banks in current account	1,99,637	25,286
Brokerage receivable from PFM	12,576	1,53,135
Others - Dividend receivable	2,84,87,257	5,43,365
Sundry debtors - Margin Money for Investments	4,17,32,530	2,63,81,516
Total	7,04,32,000	2,71,03,302

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME E TIER I being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Securities traded at a stock exchange:

The securities are valued at the daily closing price on the stock exchange.

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

Securities not traded at a stock exchange:

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

Equity instruments are generally valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earning ratios of comparable traded securities and with an appropriate discount for lower liquidity.

Valuation of Right Shares

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.

Valuation of Money Market Instruments and Mutual funds.

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

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

Bonus entitled shares are recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.

1.5 Units reconciliation

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

1.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.8 Other Expenses

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

1.9 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Investment management fees	22,13,972	13,69,410

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Investment management fees payable	12,03,913	6,76,095

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier I			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	Equity	19,42,71,058	17,93,12,153	23,53,94,388	23,70,48,295

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier I			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd	Equity	1,79,62,38,858	1,95,64,18,610	80,70,09,515	1,04,43,75,832

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	37,42,23,93,708	23,21,03,26,353
Purchase of Investment	23,19,80,41,122	75,32,09,70,419
% to average Net Assets Value	61.99%	324.51%
Sale of Investment	15,23,75,37,917	69,63,19,26,530
% to average Net Assets Value	40.72%	300.00%

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

Notes to accounts (un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme E Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	37,42,23,93,708	23,21,03,26,353
Purchase of Investment	9,22,98,57,423	6,68,83,96,419
% to average Net Assets Value	24.66%	28.82%
Sale of Investment	1,31,05,37,924	1,23,22,37,579
% to average Net Assets Value	3.50%	5.31%

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme E Tier I			
	As at September 30, 2020		As at September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Monetary intermediation of commercial / saving / postal banks	9,34,75,71,761	21.23%	7,23,90,49,975	27.45%
Computer consultancy and computer facilities management activities	6,45,51,42,659	14.66%	3,21,58,32,318	12.19%
Production of liquid and gaseous fuels, illuminating oils & lubricating oils	5,98,78,39,593	13.60%	2,64,46,45,150	10.03%
Manufacture Of Allopathic Pharmaceutical Preparations	2,73,63,93,842	6.21%	92,28,48,210	3.50%
Others	18,27,39,92,174	41.50%	11,31,87,23,646	42.92%
Mutual Funds	1,26,88,81,412	2.88%	1,08,52,50,403	4.11%
Net Current Assets	-3,61,58,673	-0.08%	-5,27,98,234	-0.20%
Net Asset Value	44,03,36,62,768	100.00%	26,37,35,51,468	100.00%

Note :

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

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme E Tier I	
			September 30, 2020	September 30, 2019
			NIL	NIL

2.8 Prior Year Comparatives :

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

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Equity Instruments			
Shares			
1. Reliance Industries Ltd.	5,02,01,37,580	11.40%	N.A.
2. Infosys Ltd	3,14,46,19,834	7.14%	N.A.
3. ICICI Bank Ltd	2,54,42,13,787	5.78%	N.A.
4. Kotak Mahindra Bank Ltd	2,33,66,58,499	5.31%	N.A.
5. Tata Consultancy Services Ltd	2,07,56,47,254	4.71%	N.A.
6. HDFC Bank Ltd	1,95,64,18,609	4.44%	N.A.
7. Hindustan Unilever Ltd	1,55,62,54,712	3.53%	N.A.
8. Bharati Airtel Ltd.	1,52,81,11,642	3.47%	N.A.
9. Larsen & Toubro Ltd	1,33,30,15,599	3.03%	N.A.
10. Axis Bank Ltd	1,13,91,23,624	2.59%	N.A.
11. ITC Ltd	1,07,26,69,995	2.44%	N.A.
12. State Bank of India	85,97,73,960	1.95%	N.A.
13. Maruti Suzuki India Ltd	84,76,31,435	1.92%	N.A.
14. Bajaj Finance Ltd.	84,18,75,629	1.91%	N.A.
15. Mahindra & Mahindra Ltd	83,77,46,990	1.90%	N.A.
16. UltraTech Cement Ltd	78,07,53,240	1.77%	N.A.
17. Dr Reddys Laboratories Ltd	75,79,37,580	1.72%	N.A.
18. HCL Technologies Ltd	69,85,44,120	1.59%	N.A.
19. Nestle India Limited	66,85,83,300	1.52%	N.A.
20. Divis Laboratories Ltd	59,80,07,790	1.36%	N.A.
21. Cipla Ltd	59,72,16,230	1.36%	N.A.
22. Tech Mahindra Ltd.	53,63,31,450	1.22%	N.A.
23. Petronet LNG Ltd	48,74,37,915	1.11%	N.A.
24. ICICI Prudential Life Insurance Company Limited	48,08,15,115	1.09%	N.A.
25. Lupin Ltd	45,63,52,200	1.04%	N.A.
26. Hero Motocorp Ltd	43,90,48,350	1.00%	N.A.
27. Asian Paints (India) Ltd	43,73,05,960	0.99%	N.A.
28. Shree Cement Ltd	41,12,16,085	0.93%	N.A.
29. SBI Life Insurance Company Limited	37,99,20,890	0.86%	N.A.
30. Bharat Petroleum Corporation Ltd	37,65,45,478	0.86%	N.A.
31. Hindustan Petroleum Corporation Ltd	33,77,97,435	0.77%	N.A.
32. National Thermal Power Corporation Ltd	32,99,70,995	0.75%	N.A.
33. IndusInd Bank Ltd	32,70,14,370	0.74%	N.A.
34. Bajaj Finserv Ltd	30,05,18,173	0.68%	N.A.
35. Power Grid Corporation of India Ltd	29,59,67,655	0.67%	N.A.
36. Tata Steel Ltd	25,76,70,938	0.59%	N.A.
37. United Spirits Ltd	22,31,82,503	0.51%	N.A.
38. Dabur India Ltd	21,95,87,555	0.50%	N.A.
39. Wipro Ltd	21,88,10,868	0.50%	N.A.
40. Ambuja Cements Ltd	21,41,89,850	0.49%	N.A.
41. Indraprastha Gas Ltd	21,18,11,680	0.48%	N.A.
42. Exide Industries Ltd	21,10,06,040	0.48%	N.A.
43. Hindalco Industries Ltd	20,95,81,475	0.48%	N.A.
44. Pidilite Industries Limited	20,77,51,113	0.47%	N.A.
45. Titan Company Limited	20,53,10,715	0.47%	N.A.
46. LIC Housing Finance Ltd	20,35,40,400	0.46%	N.A.
47. Eicher Motors Ltd	19,82,52,000	0.45%	N.A.
48. Siemens Ltd	19,28,36,250	0.44%	N.A.
49. Oil & Natural Gas Corporation Ltd	18,09,29,475	0.41%	N.A.
50. Housing Development Finance Corporation Ltd	17,93,12,153	0.41%	N.A.
51. Reliance Industries Limited - Partly Paid up Equity Shares	17,86,72,065	0.41%	N.A.
52. Gas Authority of India Ltd	17,48,06,520	0.40%	N.A.
53. Cadila Healthcare Ltd.	16,74,61,695	0.38%	N.A.
54. Havells India Ltd	15,98,37,030	0.36%	N.A.
55. Sun Pharmaceuticals Industries Ltd	15,94,18,348	0.36%	N.A.
56. MRF Ltd	14,39,86,007	0.33%	N.A.
57. Vedanta Ltd	14,19,03,695	0.32%	N.A.
58. TVS Motor Company Ltd.	13,33,01,595	0.30%	N.A.
59. Mahindra & Mahindra Financial Services Ltd	13,08,18,370	0.30%	N.A.
60. Voltas Ltd	12,88,92,308	0.29%	N.A.
61. Cholamandalam Investment & Finance Company Ltd	11,02,36,418	0.25%	N.A.
62. Adani Ports And Special Economic Zone Ltd	10,53,95,700	0.24%	N.A.
63. Coal India Ltd	10,24,74,400	0.23%	N.A.
64. Britannia Industries Ltd	9,59,03,288	0.22%	N.A.
65. Bharti Infratel Ltd	8,35,21,685	0.19%	N.A.
66. Cummins India Ltd	8,18,05,500	0.19%	N.A.
67. Tata Motors Ltd	7,78,73,860	0.18%	N.A.
68. Indian Oil Corporation Ltd	7,46,87,035	0.17%	N.A.

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
69. Bajaj Auto Ltd	7,41,88,325	0.17%	N.A.
70. Federal Bank Ltd	6,89,29,380	0.16%	N.A.
71. Shriram Transport Finance Co. Ltd	6,80,35,598	0.15%	N.A.
72. Godrej Consumer Products Ltd	6,68,76,638	0.15%	N.A.
73. Punjab National Bank	6,54,33,745	0.15%	N.A.
74. Grasim Industries Ltd	5,60,01,050	0.13%	N.A.
75. Ashok Leyland Ltd	4,62,99,120	0.11%	N.A.
76. Bosch Ltd.	3,84,44,140	0.09%	N.A.
77. Zee Entertainment Enterprises Ltd	3,82,70,480	0.09%	N.A.
78. RBL Bank Ltd	3,78,69,351	0.09%	N.A.
79. Bharat Electronics Ltd.	3,05,15,525	0.07%	N.A.
80. Computer Age Management Services Ltd.	1,31,26,560	0.03%	N.A.
81. Bank of Baroda	1,21,36,433	0.03%	N.A.
82. L&T Finance Holdings Limited	88,61,670	0.02%	N.A.
Equity Instruments Total	42,80,09,40,029	97.20%	
Money Market Instruments			
Liquid Mutual Funds			
1. ICICI Prudential Liquid - Direct Plan - Growth	1,26,88,81,412	2.88%	AAA
Money Market Instruments Total	1,26,88,81,412	2.88%	
Cash/Cash Equivalent & Net Current Assets	(3,61,58,673)	-0.08%	
Grand Total	44,03,36,62,768	100.00%	
Average Maturity of Portfolio (in yrs)	N.A.		
Modified Duration (in yrs)	N.A.		
Yield to Maturity (%) (annualised) (at market price)	N.A.		
Credit Rating Exposure			
Central Government Securities	-	-	
State Development Loans	-	-	
AAA / equivalent	-	-	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	-	-	
AA / equivalent	-	-	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade) (out of above Net NPA)	-	-	
TOTAL	-	-	
Bank FD	-	-	
Equity	42,80,09,40,029	97.20%	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	1,26,88,81,412	2.88%	
Cash / cash equivalent net current assets	(3,61,58,673)	-0.08%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	44,03,36,62,768	100.00%	
Units Outstanding	2,00,08,55,581		
NAV	22.0074		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
c. NAV at March 31,2020		16.9815	
d. NAV at September 30,2020		22.0074	
e. Total outstanding exposure in derivative instruments at September 30,2020		-	
f. Total 'Infrastructure investments' September 30,2020		-	

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Sr No	Particulars	Scheme E Tier I	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I Open High Low End	16.9815 22.9592 16.0002 22.0074	22.1836 23.0183 20.7424 22.3027
2	Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II	4,40,336.63 3,74,223.94	2,63,735.51 2,32,103.26
3	Gross income as % of AAuM III	24.20%	1.49%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	23.86%	0.97%
6	Portfolio turnover ratio VII	3.50%	5.31%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year Benchmark VIII	-1.32% -0.41%	6.67% 5.23%
b	Since inception Benchmark VIII	120.07% 112.69%	123.03% 113.54%
c	Compound annualised yield (%) IX Last 1 year Last 2 year Last 3 year Since launch of the scheme	-1.32% 2.59% 5.06% 11.63%	6.67% 8.40% 10.97% 13.89%
	Launch Date	August 01, 2013	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	Post changes in the PFRDA investment regulation vide circular No PFRDA/2015/PFM/08 in September 2015; company has changed the fund management strategy of the equity schemes. Due to this change, the benchmark of the scheme has been changed from Nifty 50 to Nifty 100 TRI effective from October 01, 2015. hence since inception returns is not comparable with Benchmark returns. The benchmark return mentioned above represents the return of existing scheme benchmark, which is Nifty 100 TRI .		
IX	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days)		



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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme E Tier II	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	95,29,84,749	52,44,44,350
Reserves & Surplus	2	85,98,12,991	48,69,86,560
Current Liabilities and Provisions	3	1,62,75,378	43,84,162
Total		1,82,90,73,118	1,01,58,15,072
Assets			
Investments	4	1,82,43,15,641	1,01,47,54,358
Deposits	5	-	-
Other Current Assets	6	47,57,477	10,60,714
Total		1,82,90,73,118	1,01,58,15,072
(a) Net asset as per Balance Sheet (Schedule 4+5+6-3)		1,81,27,97,740	1,01,14,30,910
(b) Number of units outstanding		9,52,98,475	5,24,44,435
(c) NAV per unit (a)/(b) (₹)		19.0223	19.2857
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme E Tier II	
		September 30, 2020	September 30, 2019
Income			
Dividend		99,14,514	65,12,206
Profit on sale/redemption of investments		48,26,382	49,32,804
Unrealised gain on appreciation in investments		34,88,20,628	33,48,593
Other income			
- Miscellaneous Income		19	17
Total Income (A)		36,35,61,543	1,47,93,620
Expenses & Losses			
Unrealised losses in value of investments		88,374	13,131
Loss on sale/redemption of investments		51,99,941	54,29,319
Management fees (including Goods and Service Tax)		89,468	50,386
NPS Trust fees		37,910	7,742
Custodian fees		28,459	14,565
CRA fees		1,68,766	1,05,944
Less : Amount recoverable on sale of units on account of CRA Charges		(1,68,766)	(1,05,944)
Depository and settlement charges		29,094	2,123
Total Expenditure (B)		54,73,246	55,17,266
Surplus/(Deficit) for the year (A-B = C)		35,80,88,297	92,76,354
Less: Amount transferred to Unrealised appreciation account		(7,99,43,085)	(33,35,462)
Less: Amount transferred to General Reserve		(27,81,45,212)	(59,40,892)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Initial capital		
<u>Unit capital</u>		
Outstanding units at the beginning of the period	75,30,15,840	38,46,90,523
Add :Units issued during the period	39,01,36,099	21,16,42,466
Less: Units redeemed during the period	(19,01,67,190)	(7,18,88,639)
Outstanding at the end of the period	95,29,84,749	52,44,44,350
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the period	7,53,01,584	3,84,69,052
Add :Units issued during the period	3,90,13,610	2,11,64,247
Less: Units redeemed during the period	(1,90,16,719)	(71,88,864)
Outstanding Units at the end of the period	9,52,98,475	5,24,44,435

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	59,07,06,393	26,19,30,022
Add: Premium on Units issued	29,55,28,028	18,84,85,897
Less: Premium on Units redeemed	(14,65,45,037)	(6,42,08,527)
Closing balance	73,96,89,384	38,62,07,392
General Reserve		
Opening balance	(23,80,69,379)	2,04,93,022
Add/(Less): Transfer from/(to) Revenue Account	27,81,45,212	59,40,892
Closing balance	4,00,75,832	2,64,33,914
Unrealised Appreciation Reserve		
Opening balance	1,04,689	7,10,09,792
Add/(Less): Transfer from/(to) Revenue Account	7,99,43,085	33,35,462
Closing balance	8,00,47,774	7,43,45,254
Total	85,98,12,991	48,69,86,560

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Current liabilities & Provision		
Sundry creditors for expenses	73,119	41,849
Redemption Payable	1,09,78,715	22,57,564
TDS Payable	1,492	1,064
Contracts for purchase of investments	52,22,052	20,83,685
Total	1,62,75,378	43,84,162

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

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

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

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Equity shares	1,75,95,53,886	97,41,19,358
Others - Mutual Fund Units	6,47,61,755	4,06,35,000
Total	1,82,43,15,641	1,01,47,54,358

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Balances with banks in current account	16,060	4,652
Sundry debtors	35,96,802	10,30,460
Brokerage receivable from PFM	569	4,798
Dividend receivable	11,44,046	20,804
Total	47,57,477	10,60,714

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME E TIER II being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Securities traded at a stock exchange:

The securities are valued at the daily closing price on the stock exchange.

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

Securities not traded at a stock exchange:

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

Equity instruments are generally valued on the basis of capitalization of earnings solely or in combination with the net asset value, using for the purposes of capitalization, the price or earnings ratios of comparable traded securities and with an appropriate discount for lower liquidity.

Valuation of Right Shares

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.

Valuation of Money Market Instruments and Mutual Fund

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

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

Bonus entitled shares are recognised only when the original shares on which the bonus entitlement accrues are traded on the stock exchange on an ex-bonus basis. Rights entitlements are recognized only when the original shares on which the right entitlement accrues are traded on the stock exchange on an ex-rights basis.

Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.

1.5 Units reconciliation

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

1.6 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.7 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.8 Other Expenses

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

1.9 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Investment management fees	89,468	50,386

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Investment management fees payable	48,590	25,518

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier II			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	Equity	78,71,646	72,21,208	90,92,349	90,94,430

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier II			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd	Equity	7,50,85,495	8,06,79,280	3,19,41,440	4,01,98,987

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	1,51,22,56,125	85,40,02,084
Purchase of Investment	1,32,66,74,255	4,69,67,83,497
% to average Net Assets Value	87.73%	549.97%
Sale of Investment	96,64,03,297	4,42,19,46,229
% to average Net Assets Value	63.90%	517.79%

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

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme E Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	1,51,22,56,125	85,40,02,084
Purchase of Investment	39,70,67,539	29,27,35,495
% to average Net Assets Value	26.26%	34.28%
Sale of Investment	5,29,03,297	4,48,07,037
% to average Net Assets Value	3.50%	5.25%

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme E Tier II			
	As at September 30, 2020		As at September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Monetary intermediation of commercial / saving / postal banks	38,46,85,652	21.22%	27,77,93,485	27.47%
Computer consultancy and computer facilities management activities	26,62,73,259	14.69%	12,34,45,985	12.21%
Production of liquid and gaseous fuels, illuminating oils & lubricating oils	24,67,29,633	13.61%	10,15,87,908	10.04%
Manufacture Of Allopathic Pharmaceutical Preparations	11,21,93,290	6.19%	3,52,85,120	3.49%
Others	74,96,72,052	41.35%	43,60,06,861	43.11%
Mutual Funds	6,47,61,755	3.57%	4,06,34,999	4.02%
Net Current Assets	(1,15,17,901)	-0.64%	(33,23,448)	-0.33%
Net Asset Value	1,81,27,97,740	100.00%	1,01,14,30,910	100.00%

Note :

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

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme E Tier II	
			September 30, 2020	September 30, 2019
			NIL	NIL

2.8 Prior Year Comparatives :

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

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Equity Instruments			
Shares			
1. Reliance Industries Ltd.	20,70,12,527	11.42%	N.A.
2. Infosys Ltd	12,98,72,682	7.16%	N.A.
3. ICICI Bank Ltd	10,48,28,624	5.78%	N.A.
4. Kotak Mahindra Bank Ltd	9,61,92,969	5.31%	N.A.
5. Tata Consultancy Services Ltd	8,55,83,089	4.72%	N.A.
6. HDFC Bank Ltd	8,06,79,279	4.45%	N.A.
7. Hindustan Unilever Ltd	6,42,19,162	3.54%	N.A.
8. Bharati Airtel Ltd.	6,28,26,787	3.47%	N.A.
9. Larsen & Toubro Ltd	5,50,42,679	3.04%	N.A.
10. Axis Bank Ltd	4,67,75,197	2.58%	N.A.
11. ITC Ltd	4,42,81,429	2.44%	N.A.
12. State Bank of India	3,54,20,669	1.95%	N.A.
13. Maruti Suzuki India Ltd	3,47,28,767	1.92%	N.A.
14. Mahindra & Mahindra Ltd	3,45,89,509	1.91%	N.A.
15. Bajaj Finance Ltd.	3,45,89,230	1.91%	N.A.
16. UltraTech Cement Ltd	3,19,91,445	1.76%	N.A.
17. Dr Reddys Laboratories Ltd	3,13,86,190	1.73%	N.A.
18. HCL Technologies Ltd	2,86,08,900	1.58%	N.A.
19. Nestle India Limited	2,78,57,638	1.54%	N.A.
20. Divis Laboratories Ltd	2,45,35,998	1.35%	N.A.
21. Cipla Ltd	2,44,99,113	1.35%	N.A.
22. Tech Mahindra Ltd.	2,22,08,588	1.23%	N.A.
23. Petronet LNG Ltd	2,00,79,150	1.11%	N.A.
24. ICICI Prudential Life Insurance Company Limited	2,00,76,930	1.11%	N.A.
25. Lupin Ltd	1,86,87,270	1.03%	N.A.
26. Hero Motocorp Ltd	1,80,96,975	1.00%	N.A.
27. Asian Paints (India) Ltd	1,78,77,600	0.99%	N.A.
28. Shree Cement Ltd	1,72,18,408	0.95%	N.A.
29. SBI Life Insurance Company Limited	1,56,60,985	0.86%	N.A.
30. Bharat Petroleum Corporation Ltd	1,54,81,243	0.85%	N.A.
31. Hindustan Petroleum Corporation Ltd	1,39,01,018	0.77%	N.A.
32. IndusInd Bank Ltd	1,33,85,939	0.74%	N.A.
33. National Thermal Power Corporation Ltd	1,33,47,935	0.74%	N.A.
34. Bajaj Finserv Ltd	1,22,89,935	0.68%	N.A.
35. Power Grid Corporation of India Ltd	1,21,26,893	0.67%	N.A.
36. Tata Steel Ltd	1,04,50,738	0.58%	N.A.
37. United Spirits Ltd	91,56,338	0.51%	N.A.
38. Wipro Ltd	89,98,885	0.50%	N.A.
39. Dabur India Ltd	88,83,570	0.49%	N.A.
40. Ambuja Cements Ltd	87,77,650	0.48%	N.A.
41. Indraprastha Gas Ltd	87,41,680	0.48%	N.A.
42. Exide Industries Ltd	84,51,125	0.47%	N.A.
43. Hindalco Industries Ltd	84,29,525	0.47%	N.A.
44. Pidilite Industries Limited	83,18,650	0.46%	N.A.
45. Titan Company Limited	82,29,248	0.45%	N.A.
46. LIC Housing Finance Ltd	82,18,840	0.45%	N.A.
47. Eicher Motors Ltd	80,40,220	0.44%	N.A.
48. Siemens Ltd	77,76,675	0.43%	N.A.
49. Reliance Industries Limited - Partly Paid up Equity Shares	73,08,640	0.40%	N.A.
50. Oil & Natural Gas Corporation Ltd	72,29,700	0.40%	N.A.
51. Housing Development Finance Corporation Ltd	72,21,208	0.40%	N.A.
52. Gas Authority of India Ltd	71,87,040	0.40%	N.A.
53. Cadila Healthcare Ltd.	68,54,118	0.38%	N.A.
54. Havells India Ltd	64,73,468	0.36%	N.A.
55. Sun Pharmaceuticals Industries Ltd	62,30,603	0.34%	N.A.
56. MRF Ltd	59,57,220	0.33%	N.A.
57. Vedanta Ltd	56,06,055	0.31%	N.A.
58. TVS Motor Company Ltd.	54,08,865	0.30%	N.A.
59. Mahindra & Mahindra Financial Services Ltd	52,19,440	0.29%	N.A.
60. Voltas Ltd	51,36,643	0.28%	N.A.
61. Cholamandalam Investment & Finance Company Ltd	44,22,413	0.24%	N.A.
62. Adani Ports And Special Economic Zone Ltd	43,23,138	0.24%	N.A.
63. Bharti Infratel Ltd	42,77,320	0.24%	N.A.
64. Coal India Ltd	42,10,800	0.23%	N.A.
65. Britannia Industries Ltd	37,98,150	0.21%	N.A.
66. Cummins India Ltd	33,39,000	0.18%	N.A.
67. Tata Motors Ltd	30,99,225	0.17%	N.A.
68. Indian Oil Corporation Ltd	30,26,205	0.17%	N.A.
69. Bajaj Auto Ltd	30,25,155	0.17%	N.A.
70. Federal Bank Ltd	28,23,660	0.16%	N.A.
71. Shriram Transport Finance Co. Ltd	27,56,108	0.15%	N.A.
72. Punjab National Bank	26,48,013	0.15%	N.A.

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
73. Godrej Consumer Products Ltd	26,46,068	0.15%	N.A.
74. Grasim Industries Ltd	21,95,390	0.12%	N.A.
75. Ashok Leyland Ltd	18,33,960	0.10%	N.A.
76. RBL Bank Ltd	14,92,062	0.08%	N.A.
77. Zee Entertainment Enterprises Ltd	14,83,190	0.08%	N.A.
78. Bosch Ltd.	13,73,005	0.08%	N.A.
79. Bharat Electronics Ltd.	12,11,238	0.07%	N.A.
80. Computer Age Management Services Ltd.	5,25,210	0.03%	N.A.
81. Bank of Baroda	4,39,235	0.02%	N.A.
82. L&T Finance Holdings Limited	3,38,445	0.02%	N.A.
Equity Instruments Total	1,75,95,53,886	97.06%	
Money Market Instruments			
Liquid Mutual Funds			
1. ICICI Prudential Liquid - Direct Plan - Growth	6,47,61,755	3.57%	AAA
Money Market Instruments Total	6,47,61,755	3.57%	
Cash/Cash Equivalent & Net Current Assets	(1,15,17,901)	-0.64%	
Grand Total	1,81,27,97,740	100.00%	
Average Maturity of Portfolio (in yrs)	N.A.		
Modified Duration (in yrs)	N.A.		
Yield to Maturity (%) (annualised) (at market price)	N.A.		
Credit Rating Exposure			
Central Government Securities	-	-	
State Development Loans	-	-	
AAA / equivalent	-	-	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	-	-	
AA / equivalent	-	-	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade)	-	-	
(out of above Net NPA)	-	-	
TOTAL	-	-	
Bank FD	-	-	
Equity	1,75,95,53,886	97.06%	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	6,47,61,755	3.57%	
Cash / cash equivalent net current assets	(1,15,17,901)	-0.64%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	1,81,27,97,740	100.00%	
Units Outstanding	9,52,98,475		
NAV*	19.0223		
Notes:			
a. Total NPAs provided for and its percentage to NAV	-		
b. Total value and percentage of illiquid equity shares	-		
c. NAV at March 31,2020		14.6843	
d. NAV at September 30,2020		19.0223	
e. Total outstanding exposure in derivative instruments at September 30,2020	-		
f. Total 'Infrastructure investments' September 30,2020	-		

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Sr No	Particulars	Scheme E Tier II	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I Open High Low End	14.6843 19.8405 13.8299 19.0223	19.1874 19.9064 17.9324 19.2857
2	Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II	18,127.98 15,122.56	10,114.31 8,540.02
3	Gross income as % of AAuM III	24.04%	1.73%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	23.68%	1.09%
6	Portfolio turnover ratio VII	3.50%	5.25%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year Benchmark VIII	-1.37% -0.41%	6.81% 5.23%
b	Since inception IX Benchmark VIII	90.22% 112.69%	92.86% 113.54%
c	Compound annualised yield (%) X Last 1 year Last 2 year Last 3 year Since launch of the scheme	-1.37% 2.64% 5.02% 9.38%	6.81% 8.36% 10.99% 11.24%
	Launch Date	August 01, 2013	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	Post changes in the PFRDA investment regulation vide circular No PFRDA/2015/PFM/08 in September 2015; company has changed the fund management strategy of the equity schemes. Due to this change, the benchmark of the scheme has been changed from Nifty 50 to Nifty 100 TRI effective from October 01, 2015. hence since inception returns is not comparable with Benchmark returns. The benchmark return mentioned above represents the return of existing scheme benchmark, which is Nifty 100 TRI .		
IX	The investments into the mandated assets of the fund started in March 2014. From the date of inception of the fund till March 2014 the inflows were invested in liquid schemes of mutual funds. As per prevailing fund objective of Tier II Scheme E, the fund could only invest in equity securities through Nifty 50 Index basket. There was a minimum threshold amount for investment in Nifty 50 basket and till the time investable amount reaches the threshold, it was invested temporarily in liquid and money market schemes of mutual funds. Due to small size of the fund this has affected the fund performance. Hence, Fund performance since inception of the scheme is not comparable with the benchmark.		
X	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days)		



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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme C Tier I	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	11,92,97,70,472	8,22,57,43,233
Reserves & Surplus	2	12,68,70,37,321	6,92,96,95,318
Current Liabilities and Provisions	3	2,09,38,912	1,22,41,829
Total		24,63,77,46,705	15,16,76,80,380
Assets			
Investments	4	23,71,25,56,048	14,60,38,23,395
Deposits	5	-	-
Other Current Assets	6	92,51,90,657	56,38,56,985
Total		24,63,77,46,705	15,16,76,80,380
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		24,61,68,07,793	15,15,54,38,551
(b) Number of units outstanding		1,19,29,77,047	82,25,74,323
(c) NAV per unit (a)/(b) (₹)		20.6347	18.4244
Significant accounting policies and notes to accounts	7		

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

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

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

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme C Tier I	
		September 30, 2020	September 30, 2019
Income			
Interest		83,80,24,328	54,24,00,048
Profit on sale/redemption of investments		33,40,40,040	5,77,09,383
Unrealised gain on appreciation in investments		23,52,60,001	23,72,24,247
Other income			
- Miscellaneous Income		-	3
Total Income (A)		1,40,73,24,369	83,73,33,681
Expenses & Losses			
Unrealised losses in value of investments		-	59,213
Loss on sale/redemption of investments		24,58,883	47,90,356
Management fees (including Goods and Service Tax)		13,28,564	8,01,585
NPS Trust fees		5,62,951	1,22,864
Custodian fees		3,87,515	2,41,429
CRA fees		82,39,332	60,59,703
Less : Amount recoverable on sale of units on account of CRA Charges		(82,39,332)	(60,59,703)
Provision for Non-Performing Assets *		51,75,000	3,81,31,903
Depository and settlement charges		5,37,320	37,472
Other Expenses		-	-
Total Expenditure (B)		1,04,50,233	4,41,84,822
Surplus/(Deficit) for the year (A-B = C)		1,39,68,74,136	79,31,48,859
Less: Amount transferred to Unrealised appreciation account		(23,52,60,001)	(23,71,65,035)
Less: Amount transferred to General Reserve		(1,16,16,14,135)	(55,59,83,825)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, provision for Non Performing Assets includes the 100% provision made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds.(Refer note 2.4 in notes to accounts)

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Initial capital		
Unit capital		
Outstanding at the beginning of the period	10,45,54,02,248	6,93,86,81,322
Add :Units issued during the period	1,99,75,21,016	1,62,65,69,669
Less: Units redeemed during the period	(52,31,52,792)	(33,95,07,758)
Outstanding at the end of the period	11,92,97,70,472	8,22,57,43,233
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the period	1,04,55,40,225	69,38,68,132
Add :Units issued during the period	19,97,52,102	16,26,56,967
Less: Units redeemed during the period	(5,23,15,279)	(3,39,50,776)
Outstanding Units at the end of the period	1,19,29,77,047	82,25,74,323

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	6,85,34,16,465	3,85,36,49,443
Add: Premium on Units issued	2,01,56,25,948	1,28,66,75,799
Less: Premium on Units redeemed	(52,15,24,720)	(26,81,18,846)
Closing balance	8,34,75,17,693	4,87,22,06,396
General Reserve		
Opening balance	2,49,14,73,544	1,15,86,00,922
Add/(Less): Transfer from/(to) Revenue Account	1,16,16,14,135	55,59,83,825
Closing balance	3,65,30,87,679	1,71,45,84,747
Unrealised Appreciation Reserve		
Opening balance	45,11,71,948	10,57,39,140
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	23,52,60,001	23,71,65,035
Closing balance	68,64,31,949	34,29,04,175
Total	12,68,70,37,321	6,92,96,95,318

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Current liabilities		
Sundry creditors for expenses	11,86,358	6,78,276
Redemption Payable	1,97,32,395	1,15,47,010
TDS Payable	20,159	16,543
Total	2,09,38,912	1,22,41,829

NATIONAL PENSION SYSTEM TRUST**NPS TRUST A/C HDFC PENSION MANAGEMENT COMPANY LIMITED - SCHEME C TIER I****Schedules forming part of the un-audited half yearly financial statements****Schedule 4: Investments (Long Term and Short Term)****(In ₹)**

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Debentures and Bonds Listed/Awaiting Listing	23,20,76,32,897	14,54,65,27,393
Provision for Sub Standard Assets *	(5,69,00,000)	(3,75,00,000)
Others - Mutual Fund Units	56,18,23,151	9,47,96,002
Total	23,71,25,56,048	14,60,38,23,395

* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, provision for Sub Standard Assets includes the 100% provision made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds. (Refer note 2.4 in notes to accounts)

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Balances with banks in current account	4,03,23,558	25,580
Contracts for sale of investments	1,77,60,013	-
Interest Receivable on Non-Performing Investments	-	55,14,916
Less: Provision for interest on Non-Performing Investment	-	(55,14,916)
Outstanding and accrued income	86,69,38,586	55,34,64,405
Brokerage receivable from PFM	1,68,500	11,000
Application money pending allotment	-	1,03,56,000
Total	92,51,90,657	56,38,56,985

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt. Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME C TIER I being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Securities traded at a stock exchange:

Traded debt securities (other than government securities) are valued at weighted average traded price on that day reported on National Stock Exchange (NSE) /Bombay Stock Exchange (BSE). Preference is given to NSE trade over BSE trade.

Securities not traded at a stock exchange:

Non-traded debt securities (i.e. securities not reported on exchanges) are valued at a yield to maturity basis by using matrix of spread over risk free asset constructed by IMaCS. Matrix is classified into two categories TRAD & NPR. TRAD Matrix (Comprises of sectors like MFTG, BANK, HFC) & NPR Matrix (Comprises of sectors like NBFC, Real Estate). Matrix is constructed basis each rating category and for all tenor. Any security falling into respective matrix type (TRAD or NPR) are valued as per that matrix basis conservative rating of that security and modified duration.

Valuation of securities having call and/or Put options:

- a) Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- b) Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- c) The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- d) For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

e) For perpetual bank bond, the first Call date of the bond shall be considered as deemed date of maturity for the valuation purpose

Valuation of Partly Paid up Bonds

Partly paid bonds will be valued on the paid up value of the bonds till it is fully paid.

Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

On Friday or on last working day before the market holiday, the valuation convention shall be T+1 for corporate bonds.

Valuation of Money Market Investment and Mutual Fund

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.

Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.

Profit or loss on sale of debt securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

1.5 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) are recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

1.6 Units reconciliation

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

1.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.9 Other Expenses

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

2 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

All investments are performing investments except investment in IL&FS Ltd Bonds and Debentures. All investments of the scheme are in the name of the NPS Trust. All investments are traded investments.

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Investment management fees	13,28,564	8,01,585

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Investment management fees payable	6,74,905	4,04,872

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme C Tier I			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	NCD	4,86,97,640	5,06,55,581	10,89,18,020	11,28,54,342
HDFC Credila Financial Services Pvt Ltd	NCD	78,65,07,116	82,56,10,719	25,00,00,000	25,24,68,845

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme C Tier I			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

2.4 Provision

Provision for Interest and Principal of Non-Performing Investments has been provided basis the PFRDA Guidance 2013 and NPS Trusts direction dated 06th August 2019. Provision of 100% of Principal and Interest due and accrued till the date of NPA classified securities was accounted for on the IL&FS Ltd NCD's/Bonds holdings. Apart from the stated issuer, there are no provisions for doubtful deposits, debts and outstanding and accrued income.

FY 2020 :- Rs.3,75,00,000 NPA Provision and Rs.1,25,00,000 as valuation discount (75% NPA Provision & 25% Valuation discount) has been provided on 7.80% IL&FS Ltd. NCD Mat 30-Nov-2020, Further Rs.51,75,000 provided as valuation discount on all other IL&FS Ltd. NCD's/Bonds (75% Valuation discount) during half year ended Sep 2019. 100% provision made for Interest due and accrued amounting to Rs.6,31,903 during the half year ended Sep 2019.

FY 2021 :- Rs.51,75,000 was classified as NPA provision toward principal during the half year ended Sep 2020

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

Notes to accounts (Un-audited)

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	22,45,64,94,022	13,58,61,80,109
Purchase of Investment	41,28,06,60,620	36,93,90,34,331
% to average Net Assets Value	183.83%	271.89%
Sale of Investment	37,74,33,12,176	34,09,22,51,407
% to average Net Assets Value	168.07%	250.93%

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particular	Scheme C Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	22,45,64,94,022	13,58,61,80,109
Purchase of Investment	10,07,88,26,433	6,94,92,73,331
% to average Net Assets Value	44.88%	51.15%
Sale of Investment	6,92,41,34,480	4,05,49,39,668
% to average Net Assets Value	30.83%	29.85%

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	As at September 30, 2020		As at September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Other Credit Granting	5,73,14,41,568	23.28%	4,35,94,04,934	28.76%
Monetary intermediation of commercial / saving / postal banks	3,64,07,42,330	14.79%	1,33,28,39,805	8.79%
Activities Of Specialized Institutions Granting Credit For House purchases	2,86,96,66,943	11.66%	1,55,27,86,671	10.25%
Construction and maintenance of motorways, streets, roads, other	1,90,96,81,884	7.76%	24,92,90,125	1.64%
Production of liquid and gaseous fuels, illuminating oils & lubricating oils	1,54,70,06,623	6.28%	53,05,62,467	3.50%
Other Financial Service Activities, Except Insurance And Pension	1,48,45,61,347	6.03%	2,19,02,94,224	14.45%
Service Activities Incidental To Water Transportation	1,26,84,02,842	5.15%	88,38,74,378	5.83%
Other monetary intermediation services n.e.c.	1,16,51,67,132	4.73%	92,15,60,371	6.08%
Others	3,53,40,62,228	14.36%	2,48,84,14,418	16.67%
Mutual Funds	56,18,23,151	2.28%	9,47,96,002	0.63%
Net Current Assets	90,42,51,745	3.67%	55,16,15,156	3.39%
Net Asset Value	24,61,68,07,793	100.00%	15,15,54,38,551	100.00%

Note :

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

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme C Tier I	
			September 30, 2020	September 30, 2019
Kotak Liquid - Growth - Direct	Liquid Mutual Fund	Less than 7 Days	NIL	1,03,56,000

2.8 Prior Year Comparatives :

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

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Debt Instruments			
PSU/PFI Bonds			
1. 6.24% State Bank of India Basel III Tier-2 NCD Mat 21-Sep-2	99,95,41,754	4.06%	AAA
2. 7.48% NHAI Series-X Mat 06-March-2050	75,79,18,756	3.08%	AAA
3. 6.98% NHAI 20-21 Series-III Mat 29-June-2035	74,76,35,247	3.04%	AAA
4. 6.73% IRFC NCD Mat 06-Jul-2035	64,71,04,652	2.63%	AAA
5. 7.43% NABARD NCD Mat 31-Jan-2030	57,82,90,781	2.35%	AAA
6. 6.11% Bharat Petroleum Corporation Limited Mat 06-Jul-2025	55,07,11,184	2.24%	AAA
7. 8.65% NHPC NCD Mat 08-February-2029	54,01,57,529	2.19%	AAA
8. 7.75% Mangalor Refinery & Petrochemicals Ltd. Mat 29-Jan-203	53,62,74,688	2.18%	AAA
9. 6.80% State Bank of India Basel III Tier 2 Series I Mat 21-A	41,19,35,076	1.67%	AAA
10. 7.75% Power Finance Corporation Ltd. Mat 11-Jun-2030	36,16,89,258	1.47%	AAA
11. 7.14% Rural Electrification Corp Ltd Mat 02-Mar-2030	35,94,65,460	1.46%	AAA
12. 6.99% NHAI 20-21 Series-II Mat 28-May-2035	34,91,84,736	1.42%	AAA
13. 7.20% Power Finance Corporation Ltd Series 205(A&B) M 10-Aug	24,85,86,801	1.01%	AAA
14. 7.60% Food Corporation of India Ltd Mat 09-Jan-2030	23,15,57,299	0.94%	AAA
15. 8.51% NABARD NCD Mat 19-December-2033	22,76,20,283	0.92%	AAA
16. 8.36% Power Grid NCD Mat 07-Jan-2029	21,66,17,604	0.88%	AAA
17. 7.52% Rural Electrification Corp Ltd Mat 07-Nov-2026	20,64,55,301	0.84%	AAA
18. 8.49% NTPC NCD Mat 25-Mar-2025	19,55,78,655	0.79%	AAA
19. 7.50% SBI Cards & Payment Service Ltd Mat 09-Mar-2023	15,57,34,361	0.63%	AAA
20. 7.25% Nuclear Power Corp. Mat 15-Dec-2031 (SR-XXXIII TRCH-E)	15,45,77,381	0.63%	AAA
21. 7.74% Power Finance Corporation Ltd. Mat 30-Jan-2028	15,45,71,828	0.63%	AAA
22. 7.05% Power Finance Corporation Ltd Series 205-A Mat 09-Aug-	14,78,93,733	0.60%	AAA
23. 8.85% Power Finance Corporation Ltd S 187(A&B) Mat 25-May-20	14,28,49,371	0.58%	AAA
24. 8.70% Power Grid NCD Mat 15-Jul-2028	12,89,96,702	0.52%	AAA
25. 8.14% Nuclear Power Corp. Mat 25-Mar-2026(Tranche A).	12,36,93,506	0.50%	AAA
26. 7.54% IRFC NCD Mat 29-July-2034	10,66,41,381	0.43%	AAA
27. 7.27% IRFC NCD Mat 15-June-2027	10,06,06,085	0.41%	AAA
28. 8.22% NABARD NCD Mat 13-December-2028	8,45,86,655	0.34%	AAA
29. 8.65% Power Finance Corporation Ltd. Mat-28-Dec-2024	7,06,27,236	0.29%	AAA
30. 8.18% NABARD NCD Mat 26-December-2028	5,81,05,978	0.24%	AAA
31. 8.95% Food Corporation of India Ltd Mat 01-Mar-2029	5,66,16,187	0.23%	AAA
32. 9.30% Power Grid NCD Mat 28-Jun-2024	5,64,42,105	0.23%	AAA
33. 8.40% Nuclear Power Corp. Mat 28-Nov-2029 (SR-XXIX TRCH-E)	5,58,19,721	0.23%	AAA
34. 7.98% NHAI Mat 23-Dec-2049	5,49,43,143	0.22%	AAA
35. 8.30% IRFC NCD Mat 25-Mar-2029	5,47,94,241	0.22%	AAA
36. 7.83% NABARD NCD Series 4A Mat 17-Oct-2034	5,41,86,557	0.22%	AAA
37. 8.09% Rural Electrification Corp Ltd Mat 21-march-2028	5,39,49,421	0.22%	AAA
38. 8.06% Rural Electrification Corp Ltd Mat 27-Mar-2028`	5,38,70,050	0.22%	AAA
39. 8.84% Power Finance Corporation Ltd. Mat-04-Mar-2023	5,37,92,711	0.22%	AAA
40. 8.01% Rural Electrification Corp Ltd Mat 24-Mar-2028	5,37,21,772	0.22%	AAA
41. 7.75% Power Finance Corporation Ltd. Mat 22-Mar-2027	5,28,80,717	0.21%	AAA
42. 7.55% IRFC NCD Mat 06-Nov-2029	5,25,52,072	0.21%	AAA
43. 7.38% NHPC NCD Mat 03-January-2026	5,22,87,960	0.21%	AAA
44. 7.38% NHPC NCD Mat 02-January-2027	5,21,81,616	0.21%	AAA
45. 8.62% Food Corporation of India Ltd Mat 22-Mar-2023	5,19,57,012	0.21%	AAA
46. 7.25% Nuclear Power Corp. Mat 15-Dec-2029 (SR-XXXIII TRCH-C)	5,19,34,330	0.21%	AAA
47. 8.40% Power Grid NCD Mat 27-May-2024	5,15,55,700	0.21%	AAA
48. 9.60% EXIM Bank NCD Mat 07-FEB-2024	5,04,85,270	0.21%	AAA
49. 8.49% NHPC NCD Mat 26-November-2024	5,00,56,872	0.20%	AAA
50. 7.25% Nuclear Power Corp. Mat 15-Dec-2028 (SR-XXXIII TRCH-B)	4,87,56,234	0.20%	AAA
51. 7.09% Rural Electrification Corp Ltd Mat 17-Oct-2022	4,66,93,932	0.19%	AAA
52. 8.85% Power Grid NCD Mat 19-Oct-2024	4,07,02,179	0.17%	AAA
53. 8.54% NHPC NCD Mat 26-November-2026.	3,66,30,114	0.15%	AAA
54. 7.64% Food Corporation of India Ltd Mat 12-Dec-2029	3,47,91,626	0.14%	AAA
55. 9.64% Power Grid NCD Mat 31-May-2026	3,43,57,287	0.14%	AAA
56. 9.17% NTPC NCD Mat 22-Sep-2024	3,39,81,635	0.14%	AAA
57. 9.00% NTPC NCD Mat 25-Jan-2026.	3,33,77,682	0.14%	AAA
58. 8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A)	3,26,82,982	0.13%	AAA
59. 8.82% Rural Electrification Corp. Ltd. Mat 12-Apr-2023	3,11,28,995	0.13%	AAA
60. 8.80% Rural Electrification Corp Ltd Mat 25-Oct-2020	3,00,97,770	0.12%	AAA
61. 8.32% Power Grid NCD Mat 23-Dec-2030	2,46,37,119	0.10%	AAA
62. 9.25% Power Grid NCD Mat 09-March-2027	2,27,71,564	0.09%	AAA
63. 9.30% Power Grid NCD Mat 28-Jun-2026	2,27,24,239	0.09%	AAA
64. 8.20% NABARD NCD Mat 28-Mar-2034.	2,25,66,911	0.09%	AAA
65. 8.40% Power Grid NCD Mat 27-May-2029	1,99,86,876	0.08%	AAA
66. 8.10% EXIM Bank NCD Mat 19-Nov-2025.	1,97,31,097	0.08%	AAA
67. 8.50% EXIM Bank Mat 08-Jul-2023	1,84,23,653	0.07%	AAA
68. 9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022	1,82,93,638	0.07%	AAA
69. 10.70%IRFC NCD Mat 11-Sep-2023	1,73,57,492	0.07%	AAA
70. 8.50% NABARD NCD Mat 31-Jan-2023	1,71,94,110	0.07%	AAA

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
71. 8.70% Power Finance Corporation Ltd.Mat 14-May-2025	1,52,43,995	0.06%	AAA
72. 8.83% IRFC NCD Mat 14-May-2031	1,51,14,453	0.06%	AAA
73. 8.95%IRFC NCD Mat 10-Mar-2025	1,46,58,655	0.06%	AAA
74. 9.39% Power Finance Corporation Ltd.Mat 27-Aug-2024	1,43,49,873	0.06%	AAA
75. 9.15% EXIM Bank NCD Mat 05-Sep-2022	1,29,52,592	0.05%	AAA
76. 9.95% Food Corporation of India Ltd Mat 07-Mar-2022	1,17,95,695	0.05%	AAA
77. 8.77% NABARD NCD Mat 05-Oct-2028	1,13,07,146	0.05%	AAA
78. 8.90 State Bank of India NCD Mat 02-Nov-2028	1,09,39,969	0.04%	AAA
79. 8.80% Power Finance Corporation Ltd. Mat 15-Jan-2025	1,08,70,524	0.04%	AAA
80. 8.14% Nuclear Power Corp. Mat 25-Mar-2028 (Tranche C).	1,08,66,479	0.04%	AAA
81. 9.35% Rural Electrification Corp Ltd Mat 15-Jun-2022	1,07,08,017	0.04%	AAA
82. 8.20% Power Finance Corporation Ltd.Mat 10-Mar-2025	1,06,70,645	0.04%	AAA
83. 8.23% Rural Electrification Corp Ltd Mat 23-Jan-2025	1,06,54,003	0.04%	AAA
84. 9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024	99,20,846	0.04%	AAA
85. 8.14% Nuclear Power Corp. Mat 25-Mar-2027 (Tranche B).	98,06,572	0.04%	AAA
86. 8.56% Nuclear Power Corp. Mat 15-Mar-2023 (Tranche C)	97,65,624	0.04%	AAA
87. 8.68%IRFC NCD Mat 29-Nov-2021	84,02,062	0.03%	AAA
88. 8.85% Power Finance Corporation Ltd.Mat 15-Jun-2030	77,57,081	0.03%	AAA
89. 8.83% IRFC NCD Mat 14-May-2034	71,48,919	0.03%	AAA
90. 8.80% Food Corporation of India Ltd Mat 22-Mar-2028	66,84,594	0.03%	AAA
91. 8.55% Power Finance Corporation Ltd.Mat 09-Dec-2021	62,69,945	0.03%	AAA
92. 8.83% IRFC NCD Mat 14-May-2035	59,99,526	0.02%	AAA
93. 8.40% Nuclear Power Corp. Mat 28-Nov-2026 (SR-XXIX TRCH-B)	55,33,457	0.02%	AAA
94. 9.75% Rural Electrification Corp Ltd Mat 11-Nov-2021	52,74,775	0.02%	AAA
95. 8.44% Rural Electrification Corp Ltd Mat 04-Dec-2021	52,13,726	0.02%	AAA
96. 8.79% IRFC NCD Mat 04-May-2030	45,94,316	0.02%	AAA
97. 8.93% Power Grid NCD Mat 20-Oct-2027	45,28,494	0.02%	AAA
98. 8.25% EXIM Bank NCD Mat 23-Jun-2031	44,48,829	0.02%	AAA
99. 8.93% Power Grid NCD Mat 20-Oct-2020	40,11,652	0.02%	AAA
100. 9.46% Power Finance Corporation Ltd.Mat 01-Aug-2026	33,48,475	0.01%	AAA
101. 8.50% NHPC NCD Mat 14-July-2024	33,10,510	0.01%	AAA
102. 8.27% Rural Electrification Corp Ltd Mat 09-Mar-2022	31,47,421	0.01%	AAA
103. 9.48% Rural Electrification Corp Ltd Mat 10-Aug-2021	31,26,295	0.01%	AAA
104. 7.74%IRFC NCD Mat 22-Dec-2020	30,29,230	0.01%	AAA
105. 8.64% Power Grid NCD Mat 08-Jul-2024	27,69,479	0.01%	AAA
106. 8.84% Power Grid NCD Mat 21-Oct-2023	27,58,889	0.01%	AAA
107. 9.18% Nuclear Power Corp. Mat 23-Jan-2028(Tranche D)	22,88,612	0.01%	AAA
108. 8.93% Power Grid NCD Mat 20-Oct-2028	22,78,432	0.01%	AAA
109. 8.93% Power Grid NCD Mat 20-Oct-2024	22,51,320	0.01%	AAA
110. 8.18% EXIM Bank NCD Mat 07-Dec-2025	22,00,756	0.01%	AAA
111. 8.11% Rural Electrification Corp Ltd Mat 07-Oct-2025	21,39,253	0.01%	AAA
112. 8.93% Power Grid NCD Mat 20-Oct-2021	20,93,527	0.01%	AAA
113. 9.75% EXIM Bank NCD Mat 04-Oct-2020	20,00,000	0.01%	AAA
114. 8.50% NHPC NCD Mat 14-July-2023	16,32,005	0.01%	AAA
115. 9.47% IRFC NCD Mat 10-May-2031	12,10,642	0.00%	AAA
116. 9.18% Nuclear Power Corp. Mat 23-Jan-2029(Tranche E)	11,57,238	0.00%	AAA
117. 9.30% Power Grid NCD Mat 04-Sep-2024	11,34,946	0.00%	AAA
118. 8.83% IRFC NCD Mat 25-Mar-2023	10,89,527	0.00%	AAA
119. 7.94% EXIM Bank Mat 22-May-2023	10,66,513	0.00%	AAA
120. 9.20% Power Finance Corp Ltd Mat 07-Jul-2021	10,35,964	0.00%	AAA
121. 8.64% IRFC NCD Mat 17-May-2021	10,29,041	0.00%	AAA
Private Corporate Bonds			
1. 7.95% Sikka Ports & Terminals Limited NCD Mat 28-Oct-2026	1,04,60,42,048	4.25%	AAA
2. 7.70 % L&T NCD Mat 28 Apr 2025	99,07,43,510	4.02%	AAA
3. 8.00% ICICI Home Finance Co. Ltd. Mat 05-Dec-2024	98,12,10,217	3.99%	AAA
4. 7.65% Axis Bank Ltd NCD Mat 30-Jan-27	89,14,37,268	3.62%	AAA
5. 8.00% HDFC Credila Fin Ser Pvt Ltd 31-Jan-2025	63,14,06,720	2.56%	AAA
6. 9.10% L&T Finance Ltd Series I – Opt II Mat 13-April-2022	51,74,02,000	2.10%	AAA
7. 8.80% LIC Housing Finance Ltd. Mat 25-Jan-2029	42,70,40,384	1.73%	AAA
8. 9.30% M&M Financial Services Ltd Mat 18-Jan-2027	37,13,09,400	1.51%	AAA
9. 9.30% Shriram Transport Fin NCD Mat 12-July-2023	37,08,79,480	1.51%	AA+
10. 8.70% LIC Housing Finance Ltd. Mat 23-Mar-2029	32,70,11,319	1.33%	AAA
11. 7.40% Reliance Industries Limited Mat 25-Apr-2025	31,34,20,949	1.27%	AAA
12. 7.65% Bajaj Finance Ltd NCD Mat 07-Feb-2025	31,22,03,728	1.27%	AAA
13. 9.10% IDFC First Bank Ltd Mat 30-June-2021	28,50,61,019	1.16%	AA+
14. 8.75% Bajaj Finance Ltd NCD Mat 27-July-2023	26,92,64,925	1.09%	AAA
15. 7.10% ICICI Bank Ltd Basel III Tier 2 NCD Mat 17-Feb-2030.	25,29,95,200	1.03%	AAA
16. 7.90% Sikka Ports & Terminals Limited NCD Mat 18-Nov-2026	22,12,95,595	0.90%	AAA
17. 7.95% LIC Housing Finance Ltd. Mat 29-Jan-2028 Tranch 359	20,81,94,194	0.85%	AAA
18. 8.62% HDFC Credila Fin Ser Pvt Ltd 17-June-2024	19,42,03,999	0.79%	AAA
19. 8.79% M&M Financial Services Ltd Mat 23-Jan-2025	16,71,69,542	0.68%	AAA
20. 8.60 Axis Bank Ltd NCD Mat 28-Dec-28	16,64,39,408	0.68%	AAA
21. 9.50% M&M Financial Services Ltd Mat 18-Jan-2029	16,20,64,020	0.66%	AAA
22. 10.15% Bajaj Finance Ltd NCD Mat 19-Sep-2024.	15,81,84,355	0.64%	AAA
23. 9.08% LIC Housing Finance Co. Ltd. Mat 10-Oct-2028	15,56,20,459	0.63%	AAA
24. 8.65%Tata Capital Fin Services Ltd NCD Mat 26-Aug-27	14,92,38,530	0.61%	AAA
25. 8.95% Reliance Industries Limited Mat 09-Nov-2028	11,31,72,645	0.46%	AAA
26. 10.30% Sundaram Finance Ltd Mat 28-Sept-2022	10,55,65,056	0.43%	AAA

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
27. 7.75% LIC Housing Finance Ltd. Mat 23-Jul-2024	10,46,39,071	0.43%	AAA
28. 9.10% IDFC First Bank Ltd Mat 31-May-2021	10,15,85,785	0.41%	AA+
29. 10% Shriram Transport Fin NCD Mat 13-Nov-2024	8,31,32,810	0.34%	AA+
30. 9.36% IDFC First Bank Ltd NCD Mat 21-Aug-2024	7,41,59,877	0.30%	AA
31. 9.20% IDFC First Bank Ltd Mat 22-Jan-2021	7,36,05,034	0.30%	AA+
32. 8.89% LIC Housing Finance Ltd. Mat 25-Apr-2023	6,45,16,746	0.26%	AAA
33. 8.50% LIC Housing Finance Co. Ltd. Mat 29-Aug-2025	6,17,76,307	0.25%	AAA
34. 9.17% IDFC First Bank Ltd NCD Mat 14-Oct-2024	6,12,01,383	0.25%	AA
35. 10.15% Shriram Transport Fin NCD Mat 15-Jul-2021	5,91,01,098	0.24%	AA+
36. 8.75% LIC Housing Finance Co. Ltd. Mat 08-Dec-2028	5,46,48,094	0.22%	AAA
37. 9.25% LIC Housing Finance Ltd. Mat 12-Nov-2022	5,38,63,851	0.22%	AAA
38. 9.25% LIC Housing Finance Co. Ltd. Mat 01-Jan-2023	5,37,93,169	0.22%	AAA
39. 8.79% LIC Housing Finance Co. Ltd. Mat 05-Mar-2024	5,36,98,024	0.22%	AAA
40. 9.05% LIC Housing Finance Ltd. Mat 25-Oct-2022	5,35,92,437	0.22%	AAA
41. 9.17% LIC Housing Finance Ltd. Mat 24-Mar-2022	5,29,67,864	0.22%	AAA
42. 7.60 Axis Bank Ltd NCD Mat 20-Oct-23	5,25,74,764	0.21%	AAA
43. 7.98% IDFC First Bank Ltd NCD Mat 23-May-2023	5,08,41,338	0.21%	AA
44. 8.95% HDFC Ltd Mat 21-Mar-2023	5,06,55,581	0.21%	AAA
45. 9.20% IDFC First Bank Ltd Mat 29-Jan-2021	5,04,41,296	0.20%	AA+
46. 8.55% Bajaj Finance Ltd NCD Mat 26-Apr-2021	5,01,52,901	0.20%	AAA
47. 8.72% Shriram Transport Fin NCD Mat 27-Mar-2023	4,60,80,044	0.19%	AA+
48. 8.94% Bajaj Finance Ltd NCD Mat 07-Nov-2025	4,08,01,869	0.17%	AAA
49. 8.75% IDFC First Bank Ltd NCD Mat 28-Jul-2023	3,63,00,111	0.15%	AA
50. 8.65% Reliance Industries Limited Mat 11-Dec-2028	3,34,27,157	0.14%	AAA
51. 9.30% LIC Housing Finance Ltd. Mat 14-Sep-2022	3,12,08,453	0.13%	AAA
52. 9.22% LIC Housing Finance Co. Ltd. Mat 16-Oct-2024	3,07,53,101	0.12%	AAA
53. 7.59% LIC Housing Finance Ltd. Mat 14-Oct-2021	2,88,52,213	0.12%	AAA
54. 10.25% Shriram Transport Fin NCD Mat 10-Oct-2024	2,67,68,037	0.11%	AA+
55. 8.49% IDFC First Bank Ltd NCD Mat 11-Dec-2024	2,47,91,509	0.10%	AA
56. 9.60% LIC Housing Finance Ltd. Mat 07-Mar-2021	2,04,55,098	0.08%	AAA
57. 9.00% LIC Housing Finance Ltd. Mat-23-Nov-2020	2,01,52,286	0.08%	AAA
58. 9.05% Shriram Transport Fin NCD Mat 30-Jun-2021	1,95,79,126	0.08%	AA+
59. 9.45% LIC Housing Finance Co. Ltd. Mat 30-Jan-2022	1,90,38,520	0.08%	AAA
60. 10.25% Shriram Transport Fin NCD Mat 18-Sep-2024	1,66,29,743	0.07%	AA+
61. 8.73% IDFC First Bank Ltd NCD Mat 06-Jan-2023	1,54,81,817	0.06%	AA
62. 8.90% IDFC First Bank Ltd NCD Mat 19-Nov-2025	1,45,67,184	0.06%	AA
63. 8.70% IDFC First Bank Ltd NCD Mat 23-Jun-2025	1,44,18,795	0.06%	AA
64. 9.43% LIC Housing Finance Co. Ltd. Mat 10-Feb-2022	1,27,04,297	0.05%	AAA
65. 9.22% Shriram Transport Fin NCD Mat 13-Apr-2026	1,17,95,587	0.05%	AA+
66. 8.70% IDFC First Bank Ltd NCD Mat 20-May-2025	1,13,22,303	0.05%	AA
67. 8.85% Bajaj Finance Ltd NCD Mat 21-Jul-2026	1,06,59,617	0.04%	AAA
68. 8.89% IDFC First Bank Ltd NCD Mat 02-Dec-2020	1,00,43,204	0.04%	AA
69. 9.25% Shriram Transport Fin NCD Mat 18-Mar-2021	99,07,481	0.04%	AA+
70. 9.40% IDFC First Bank Ltd Mat 29-Sep-2025	92,13,194	0.04%	AA+
71. 9.15% Shriram Transport Fin NCD Mat 13-Apr-2021	88,55,637	0.04%	AA+
72. 9.30% Shriram Transport Fin NCD Mat 18-Mar-2026	84,68,922	0.03%	AA+
73. 8.82% IDFC First Bank Ltd NCD Mat 29-Sept-2025	72,57,451	0.03%	AA
74. 8.90% Sundaram Finance Ltd Mat 13-June-2029	64,87,373	0.03%	AAA
75. 8.75% M&M Financial Services Ltd Mat 09-Oct-2025	53,25,426	0.02%	AAA
76. 9.38% IDFC First Bank Ltd NCD Mat 12-Sep-2024	53,05,291	0.02%	AA
77. 8.73% IDFC First Bank Ltd NCD Mat 14-Jun-2022	51,36,913	0.02%	AA
78. 8.90% IDFC First Bank Ltd NCD Mat 28-Apr-2025	41,45,389	0.02%	AA
79. 9.47% LIC Housing Finance Ltd Mat 23-Aug-2024	22,10,368	0.01%	AAA
80. 9.55% Hindalco Ind. Ltd. NCD Mat 27-Jun-2022	21,20,950	0.01%	AA
81. 9.74% Tata Sons Private Ltd NCD Mat 13-Jan-2024	11,00,528	0.00%	AAA
82. 8.45% Sikka Ports & Terminals Limited NCD Mat 12-Jun-2023	10,65,200	0.00%	AAA
83. 8.37% LIC Housing Finance Co. Ltd. Mat-21-May-2023	10,64,891	0.00%	AAA
84. 9.50% IL & FS Ltd NCD Mat 28-Jul-2024.*	-	0.00%	D
85. 8.69% IL & FS Ltd NCD Mat 25-Aug-2025 *	-	0.00%	D
86. 9.55% IL & FS Ltd NCD Mat 13-Aug-2024 *	-	0.00%	D
87. 7.80% IL&FS Ltd. NCD Mat 30-Nov-2020.*	-	0.00%	D
Debt Instruments Total	23,15,07,32,897	94.04%	
Money Market Instruments			
Liquid Mutual Funds			
1. Kotak Overnight Fund -Direct Plan-Growth Option	56,18,23,151	2.28%	AAA
Money Market Instruments Total	56,18,23,151	2.28%	

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Cash/Cash Equivalent & Net Current Assets	90,42,51,745	3.67%	
Grand Total	24,61,68,07,793	100.00%	
Average Maturity of Portfolio (in yrs) #	7.40		
Modified Duration (in yrs) #	4.92		
Yield to Maturity (%) (annualised) (at market price) #	6.84%		
Credit Rating Exposure			
Central Government Securities	-	-	
State Development Loans	-	-	
AAA / equivalent	21,63,25,35,089	87.88%	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	1,18,11,04,293	4.80%	
AA / equivalent	33,70,93,515	1.37%	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade) (out of above Net NPA)	-	0.00%	
TOTAL	23,15,07,32,897	94.04%	
Bank FD	-	-	
Equity	-	-	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	56,18,23,151	2.28%	
Cash / cash equivalent net current assets	90,42,51,745	3.67%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	24,61,68,07,793	100.00%	
Units Outstanding NAV	1,19,29,77,047 20.6347		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
c. NAV at March 31, 2020		19.3693	
d. NAV at September 30, 2020		20.6347	
e. Total outstanding exposure in derivative instruments at September 30, 2020		-	
f. Total 'Infrastructure investments' September 30, 2020		9,62,62,69,103	

Calculated on debt portfolio

* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, provision for Sub Standard Assets includes the 100% provision made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds is at 100%. (Refer note 2.4 in notes to accounts)

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Sr No	Particulars	Scheme C Tier I	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I		
	Open	19.3693	17.3760
	High	20.7134	18.4628
	Low	18.9924	17.2230
	End	20.6347	18.4244
2	Closing Assets Under Management (₹ in Lakhs)		
	End	2,46,168.08	1,51,554.39
	Average daily net assets (AAuM) II	2,24,564.94	1,35,861.80
3	Gross income as % of AAuM III	6.27%	6.16%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	6.22%	5.84%
6	Portfolio turnover ratio VII	30.83%	29.85%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year	12.00%	14.92%
	Benchmark	12.70%	14.99%
b	Since inception	106.35%	84.24%
	Benchmark	104.28%	81.21%
c	Compound annualised yield (%) VIII		
	Last 1 year	12.00%	14.92%
	Last 2 year	13.45%	7.95%
	Last 3 year	9.28%	8.10%
	Since launch of the scheme	10.63%	10.42%
	Launch Date	August 01, 2013	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days)		



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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme C Tier II	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	53,56,03,109	31,64,71,324
Reserves & Surplus	2	50,65,04,471	23,32,94,262
Current Liabilities and Provisions	3	51,56,605	20,59,603
Total		1,04,72,64,185	55,18,25,189
Assets			
Investments	4	1,01,03,69,125	53,19,08,358
Deposits	5	-	-
Other Current Assets	6	3,68,95,060	1,99,16,831
Total		1,04,72,64,185	55,18,25,189
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		1,04,21,07,580	54,97,65,586
(b) Number of units outstanding		5,35,60,311	3,16,47,132
(c) NAV per unit (a)/(b) (₹)		19.4567	17.3717
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar

(Director)

Parvez Mulla

(Director)

Sumit Shukla

(Chief Executive Officer)

Fagun Pancholi

(Chief Financial Officer)

Nagesh Pai

(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme C Tier II	
		September 30, 2020	September 30, 2019
Income			
Interest		3,31,89,142	1,81,73,607
Profit on sale/redemption of investments		4,37,887	8,39,439
Unrealised gain on appreciation in investments		1,98,33,454	89,14,746
Other income			
- Miscellaneous Income		-	-
Total Income (A)		5,34,60,483	2,79,27,793
Expenses & Losses			
Unrealised losses in value of investments		-	6,342
Loss on sale/redemption of investments		2,50,109	76,384
Management fees (including Goods and Service Tax)		53,317	27,687
NPS Trust fees		22,592	4,400
Custodian fees		15,057	8,069
CRA fees		74,165	45,919
Less : Amount recoverable on sale of units on account of CRA Charges		(74,165)	(45,919)
Provision for Non-Performing Assets		7,50,000	81,900
Depository and settlement charges		21,749	1,515
Other Expenses		28	-
Total Expenditure (B)		11,12,852	2,06,297
Surplus/(Deficit) for the year (A-B = C)		5,23,47,631	2,77,21,495
Less: Amount transferred to Unrealised appreciation account		(1,98,33,454)	(83,62,465)
Less: Amount transferred to General Reserve		(3,25,14,177)	(1,93,59,030)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, provision for Non Performing Assets includes the 100% provision made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds. (Refer note 2.4 in notes to accounts)

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Initial capital		
Unit capital		
Outstanding at the beginning of the period	43,29,12,232	24,42,01,243
Add :Units issued during the period	21,09,69,057	14,33,54,278
Less: Units redeemed during the period	(10,82,78,180)	(7,10,84,197)
Outstanding at the end of the period	53,56,03,109	31,64,71,324
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the period	4,32,91,223	2,44,20,124
Add :Units issued during the period	2,10,96,906	1,43,35,428
Less: Units redeemed during the period	(1,08,27,818)	(71,08,420)
Outstanding Units at the end of the period	5,35,60,311	3,16,47,132

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	25,19,10,597	11,10,00,590
Add: Premium on Units issued	19,06,41,881	9,88,89,164
Less: Premium on Units redeemed	(9,65,49,400)	(4,88,05,185)
Closing balance	34,60,03,078	16,10,84,569
General Reserve		
Opening balance	9,05,84,633	4,44,81,856
Add/(Less): Transfer from/(to) Revenue Account	3,25,14,177	1,93,59,030
Closing balance	12,30,98,810	6,38,40,886
Unrealised Appreciation Reserve		
Opening balance	1,75,69,129	6,342
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	1,98,33,454	83,62,465
Closing balance	3,74,02,583	83,68,807
Total	50,65,04,471	23,32,94,262

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Current liabilities & Provisions		
Sundry creditors for expenses	41,352	23,588
Redemption Payable	51,14,417	20,35,415
TDS Payable	836	600
Total	51,56,605	20,59,603

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

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

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

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Debentures and Bonds Listed/Awaiting Listing	93,61,88,750	52,33,62,356
Provision for Sub Standard Assets *	(10,00,000)	-
Others - Mutual Fund Units	7,51,80,375	85,46,002
Total	1,01,03,69,125	53,19,08,358

* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, provision for Sub Standard Assets includes the 100% provision made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision made on all IL&FS Bonds . Refer note 2.4 in notes to account

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Balances with banks in current account	4,535	4,888
Interest Receivable on Non-Performing Investments	-	81,900
Less: Provision for interest on Non-Performing Investment	-	(81,900)
Outstanding and accrued income	3,68,90,525	1,99,11,943
Total	3,68,95,060	1,99,16,831

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt. Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME C TIER II being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Securities traded at a stock exchange:

Traded debt securities (other than government securities) are valued at weighted average traded price on that day reported on National Stock Exchange (NSE) /Bombay Stock Exchange (BSE). Preference is given to NSE trade over BSE trade.

Securities not traded at a stock exchange:

Non-traded debt securities (i.e. securities not reported on exchanges) are valued at a yield to maturity basis by using matrix of spread over risk free asset constructed by IMaCS. Matrix is classified into two categories TRAD & NPR. TRAD Matrix (Comprises of sectors like MFTG, BANK, HFC) & NPR Matrix (Comprises of sectors like NBFC, Real Estate). Matrix is constructed basis each rating category and for all tenor. Any security falling into respective matrix type (TRAD or NPR) are valued as per that matrix basis conservative rating of that security and modified duration.

Valuation of securities having call and/or Put options:

- a) Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- b) Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- c) The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.
- d) For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

e) For perpetual bank bond, the first Call date of the bond shall be considered as deemed date of maturity for the valuation purpose

Valuation of Partly Paid up Bonds:

Partly paid bonds will be valued on the paid up value of the bonds till it is fully paid.

Valuation of debt securities below Investment grade of BBB-:

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

On Friday or on last working day before the market holiday, the valuation convention shall be T+1 for corporate bonds.

Valuation of Money Market Investment and Mutual Fund:

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.

Accretion of discount and amortisation of premium relating to debt securities like Zero Coupon Bond and Money Market Investment are recognised over the holding / maturity period on a straight-line basis.

Profit or loss on sale of equity is the difference between the sale consideration net of expenses and the weighted average book cost as on the date of sale.

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

1.5 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/instalment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) are recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

1.6 Units reconciliation

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

1.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.9 Other Expenses

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

2 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Investment management fees	53,317	27,687

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Investment management fees payable	27,729	14,380

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme C Tier II			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	NCD	31,08,360	32,33,335	1,43,22,530	1,48,26,072
HDFC Credila Financial Services Pvt Ltd	NCD	3,32,84,548	3,49,39,715	NIL	NIL

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme C Tier II			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

2.4 Provision

Provision for Interest and Principal of Non-Performing Investments has been provided basis the PFRDA Guidance 2013 and NPS Trusts direction dated 06th August 2019. Provision of 100% of Principal and Interest due and accrued till the date of NPA classified securities was accounted for on the IL&FS Ltd NCD's/Bonds holdings. Apart from the stated issuer, there are no provisions for doubtful deposits, debts and outstanding and accrued income.

FY 2020:- Rs 7,50,000 has been provided as valuation discount and Rs.81,000 provided as 100% Interest provision during the half year ended Sep 2019

FY 2021: - Rs 7,50,000 was classified as NPA provision toward principal during the half year ended Sep 2020

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

Notes to accounts (Un-audited)

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particular	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	90,12,09,346	46,92,64,149
Purchase of Investment	2,19,34,02,256	3,29,35,51,315
% to average Net Assets Value	243.38%	701.85%
Sale of Investment	1,97,59,79,051	3,15,18,55,435
% to average Net Assets Value	219.26%	671.66%

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particular	Scheme C Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	90,12,09,346	46,92,64,149
Purchase of Investment	16,21,71,319	14,84,09,317
% to average Net Assets Value	17.99%	31.63%
Sale of Investment	-	-
% to average Net Assets Value	-	-

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme C Tier II			
	As at September 30, 2020		As at September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Other Credit Granting	19,00,71,572	18.24%	11,63,85,426	21.17%
Activities Of Specialized Institutions Granting Credit For House purchases	10,25,93,470	9.84%	6,03,46,732	10.98%
Monetary intermediation of commercial / saving / postal banks	10,02,27,580	9.62%	3,83,84,129	6.98%
Other monetary intermediation services n.e.c.	9,98,82,691	9.58%	4,81,18,428	8.75%
Production of liquid and gaseous fuels, illuminating oils & lubricating oils	8,34,36,975	8.01%	86,78,995	1.58%
Construction and maintenance of motorways, streets, roads	7,33,99,384	7.04%	4,98,58,025	9.07%
Other Financial Service Activities, Except Insurance And Pension	5,36,11,858	5.14%	5,21,76,603	9.49%
Electric Power Generation By Coal Based Thermal Power Plants	4,47,15,894	4.29%	4,26,99,035	7.77%
Electric Power Generation By Hydroelectric Power Plants	3,21,56,457	3.09%	3,02,82,825	5.51%
Others	15,50,92,869	14.98%	7,64,32,159	13.90%
Mutual Funds	7,51,80,375	7.21%	85,46,002	1.55%
Net Current Assets	3,17,38,455	3.05%	1,78,57,228	3.25%
Net Asset Value	1,04,21,07,580	100.10%	54,97,65,586	100.00%

Note :

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

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

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme C Tier II	
			September 30, 2020	September 30, 2019
			NIL	NIL

2.8 Prior Year Comparatives :

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

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(in ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Debt Instruments			
PSU/PFI Bonds			
1. 7.70% NHAI Mat 13-Sep-2029	5,26,34,485	5.05%	AAA
2. 7.75% Mangalor Refinery & Petrochemicals Ltd.Mat 29-Jan-2023	5,20,65,502	5.00%	AAA
3. 6.80% State Bank of India Basel III Tier 2 Series I Mat 21-A	5,02,35,984	4.82%	AAA
4. 6.79% NABARD NCD Mat 25-June-2035	4,95,69,295	4.76%	AAA
5. 7.60% Food Corporation of India Ltd Mat 09-Jan-2030	3,15,75,995	3.03%	AAA
6. 8.49% NTPC NCD Mat 25-Mar-2025	3,13,24,558	3.01%	AAA
7. 8.85% Power Finance Corporation Ltd S 187(A&B) Mat 25-May-20	2,19,76,826	2.11%	AAA
8. 7.48% NHAI Series-X Mat 06-March-2050	2,07,64,897	1.99%	AAA
9. 8.54% NHPC NCD Mat 26-November-2026.	1,88,70,059	1.81%	AAA
10. 8.45% IRFC NCD Mat 04-Dec-2028	1,54,32,611	1.48%	AAA
11. 8.14% Nuclear Power Corp. Mat 25-Mar-2026(Tranche A).	1,41,05,401	1.35%	AAA
12. 9.25% Power Grid NCD Mat 26-Dec-2026	1,28,63,463	1.23%	AAA
13. 9.95% Food Corporation of India Ltd Mat 07-Mar-2022	1,17,95,695	1.13%	AAA
14. 9.00% NTPC NCD Mat 25-Jan-2026.	1,11,25,894	1.07%	AAA
15. 8.40% IRFC NCD Mat 08-Jan-2029	1,10,02,395	1.06%	AAA
16. 8.90 State Bank of India NCD Mat 02-Nov-2028	1,09,39,969	1.05%	AAA
17. 8.20% NABARD NCD Mat 16-March-2028	1,09,05,498	1.05%	AAA
18. 8.50% NABARD NCD Mat 31-Jan-2023	1,07,46,319	1.03%	AAA
19. 9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024	88,18,530	0.85%	AAA
20. 9.09% IRFC Ltd NCD Mat 29-Mar-2026 (74th Series)	78,91,176	0.76%	AAA
21. 8.50% NHPC NCD Mat 14-July-2024	77,24,523	0.74%	AAA
22. 8.98% Power Finance Corporation Ltd. OPT-A Mat-08-Oct-2024	76,47,971	0.73%	AAA
23. 9.64% Power Grid NCD Mat 31-May-2026	57,26,215	0.55%	AAA
24. 8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A)	56,34,997	0.54%	AAA
25. 9.60% EXIM Bank NCD Mat 07-FEB-2024	56,09,474	0.54%	AAA
26. 8.65% NABARD NCD Mat 08-June-2028	55,96,472	0.54%	AAA
27. 8.49% NHPC NCD Mat 26-November-2024	55,61,875	0.53%	AAA
28. 9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022	53,80,482	0.52%	AAA
29. 9.25% EXIM Bank NCD Mat 18-April-2022	53,35,187	0.51%	AAA
30. 7.55% Power Grid NCD Mat 21-Sep-2031	53,26,558	0.51%	AAA
31. 7.09% Rural Electrification Corp Ltd Mat 17-Oct-2022	51,88,215	0.50%	AAA
32. 8.94% Power Finance Corporation Ltd Series 103 Mat-25-Mar-20	43,81,676	0.42%	AAA
33. 9.20% Power Finance Corp Ltd Mat 07-Jul-2021	41,43,858	0.40%	AAA
34. 8.95%IRFC NCD Mat 10-Mar-2025	33,82,766	0.32%	AAA
35. 8.80% Food Corporation of India Ltd Mat 22-Mar-2028	33,42,297	0.32%	AAA
36. 8.52% HUDCO GOI fully serviced Bond Series-II 2018 Mat 28-No	33,35,029	0.32%	AAA
37. 8.18% EXIM Bank NCD Mat 07-Dec-2025	33,01,133	0.32%	AAA
38. 8.40% Power Grid NCD Mat 27-May-2024	32,90,789	0.32%	AAA
39. 8.82% Rural Electrification Corp. Ltd. Mat 12-Apr-2023	32,20,241	0.31%	AAA
40. 8.11% Rural Electrification Corp Ltd Mat 07-Oct-2025	32,08,880	0.31%	AAA
41. 7.25% Nuclear Power Corp. Mat 15-Dec-2028 (SR-XXXIII TRCH-B)	31,12,100	0.30%	AAA
42. 7.27% IRFC NCD Mat 15-June-2027	31,11,528	0.30%	AAA
43. 8.68% Power Grid NCD Mat 07-Dec-2020	25,22,918	0.24%	AAA
44. 9.30% Power Grid NCD Mat 04-Sep-2024	22,69,891	0.22%	AAA
45. 9.17% NTPC NCD Mat 22-Sep-2024	22,65,442	0.22%	AAA
46. 8.70% Power Finance Corporation Ltd.Mat 14-May-2025	21,77,714	0.21%	AAA
47. 9.95%IRFC NCD Mat 07-June-2022	21,75,775	0.21%	AAA
48. 8.80% Power Finance Corporation Ltd. Mat 15-Jan-2025	21,74,105	0.21%	AAA
49. 8.62% Food Corporation of India Ltd Mat 22-Mar-2023	21,64,876	0.21%	AAA
50. 8.39% Power Finance Corporation Ltd.Mat-19-Apr-2025	21,51,881	0.21%	AAA
51. 8.55% Power Finance Corporation Ltd.Mat 09-Dec-2021	20,89,982	0.20%	AAA
52. 7.25% Nuclear Power Corp. Mat 15-Dec-2031 (SR-XXXIII TRCH-E)	20,88,884	0.20%	AAA
53. 9.40% Rural Electrification Corp Ltd Mat 17-July-2021	20,77,624	0.20%	AAA
54. 7.74%IRFC NCD Mat 22-Dec-2020	20,19,487	0.19%	AAA
55. 9.30% Power Grid NCD Mat 28-Jun-2026	14,20,265	0.14%	AAA
56. 8.83% IRFC NCD Mat 14-May-2034	11,91,487	0.11%	AAA
57. 8.83% IRFC NCD Mat 14-May-2031	11,62,650	0.11%	AAA
58. 8.62% NABARD NCD Mat 14-Mar-2034	11,48,844	0.11%	AAA
59. 8.32% NABARD NCD Mat 10-March-2034	11,38,501	0.11%	AAA
60. 8.20% NABARD NCD Mat 28-Mar-2034.	11,28,346	0.11%	AAA
61. 8.32% Power Grid NCD Mat 23-Dec-2030	11,19,869	0.11%	AAA
62. 9.46% Power Finance Corporation Ltd.Mat 01-Aug-2026	11,16,158	0.11%	AAA
63. 8.25% EXIM Bank NCD Mat 23-Jun-2031	11,12,207	0.11%	AAA

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(in ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
64. 9.39% Power Finance Corporation Ltd. Mat 27-Aug-2024	11,03,836	0.11%	AAA
65. 8.24% NABARD NCD Mat 22-March-2029	11,00,418	0.11%	AAA
66. 8.10% EXIM Bank NCD Mat 19-Nov-2025.	10,96,172	0.11%	AAA
67. 8.15% NABARD NCD Mat 28-March-2029	10,94,823	0.11%	AAA
68. 8.75% Power Finance Corporation Ltd. Mat 15-Jun-2025	10,92,371	0.10%	AAA
69. 8.14% Nuclear Power Corp. Mat 25-Mar-2027 (Tranche B).	10,89,619	0.10%	AAA
70. 9.48% Power Finance Corporation Ltd. Mat 15-April-2022	10,68,623	0.10%	AAA
71. 8.93% Power Grid NCD Mat 20-Oct-2021	10,46,764	0.10%	AAA
72. 8.44% Rural Electrification Corp Ltd Mat 04-Dec-2021	10,42,745	0.10%	AAA
73. 8.85% Power Finance Corporation Ltd. Mat 31-May-2021	10,29,529	0.10%	AAA
74. 8.64% IRFC NCD Mat 17-May-2021	10,29,041	0.10%	AAA
75. 9.75% EXIM Bank NCD Mat 04-Oct-2020	10,00,000	0.10%	AAA
Private Corporate Bonds			
1. 8.00% ICICI Home Finance Co. Ltd. Mat 05-Dec-2024	5,21,92,033	5.01%	AAA
2. 8.79% M&M Financial Services Ltd Mat 23-Jan-2025	3,38,57,123	3.25%	AAA
3. 8.65% Reliance Industries Limited Mat 11-Dec-2028	2,22,84,771	2.14%	AAA
4. 7.70 % L&T NCD Mat 28 Apr 2025	2,13,06,311	2.04%	AAA
5. 8.62% HDFC Credila Fin Ser Pvt Ltd 17-June-2024	1,92,06,989	1.84%	AAA
6. 8.80% L&T Finance Ltd Category I & II Mat 15-April-2024.	1,86,89,650	1.79%	AAA
7. 9.30% Shriram Transport Fin NCD Mat 12-July-2023	1,85,43,974	1.78%	AA+
8. 8.00% HDFC Credila Fin Ser Pvt Ltd 31-Jan-2025	1,57,32,726	1.51%	AAA
9. 8.45% Sikka Ports & Terminals Limited NCD Mat 12-Jun-2023	1,49,12,798	1.43%	AAA
10. 8.67% IDFC First Bank Ltd NCD Mat 03-Jan-2025	1,23,15,925	1.18%	AA
11. 8.80% LIC Housing Finance Ltd. Mat 25-Jan-2029	1,09,49,754	1.05%	AAA
12. 8.37% LIC Housing Finance Co. Ltd. Mat-21-May-2023	1,06,48,911	1.02%	AAA
13. 7.60% LIC Housing Finance Co. Ltd. Mat 22-Nov-2022	1,04,56,154	1.00%	AAA
14. 9.10% IDFC First Bank Ltd Mat 30-June-2021	1,01,80,751	0.98%	AA+
15. 9.05% Reliance Industries Limited Mat 17-Oct-2028	90,86,700	0.87%	AAA
16. 7.90% Sikka Ports & Terminals Limited NCD Mat 18-Nov-2026	52,19,236	0.50%	AAA
17. 8.50% LIC Housing Finance Co. Ltd. Mat 29-Aug-2025	43,35,179	0.42%	AAA
18. 8.70% IDFC First Bank Ltd NCD Mat 20-May-2025	41,17,201	0.40%	AA
19. 8.95% HDFC Ltd Mat 21-Mar-2023	32,33,335	0.31%	AAA
20. 8.34% LIC Housing Finance Co. Ltd. Mat 08-Oct-2025	21,57,710	0.21%	AAA
21. 8.94% Bajaj Finance Ltd NCD Mat 07-Nov-2025	21,47,467	0.21%	AAA
22. 9.17% IDFC First Bank Ltd NCD Mat 14-Oct-2024	21,10,393	0.20%	AA
23. 10.40% Sikka Ports & Terminals Limited NCD Mat 18-Jul-2021	20,90,678	0.20%	AAA
24. 8.90% IDFC First Bank Ltd NCD Mat 19-Nov-2025	20,81,026	0.20%	AA
25. 8.75% IDFC First Bank Ltd NCD Mat 28-Jul-2023	20,74,292	0.20%	AA
26. 8.80% IDFC First Bank Ltd NCD Mat 21-July-2025	20,68,653	0.20%	AA
27. 9.20% IDFC First Bank Ltd Mat 22-Jan-2021	20,16,576	0.19%	AA+
28. 10.15% Bajaj Finance Ltd NCD Mat 19-Sep-2024.	11,06,184	0.11%	AAA
29. 9.22% LIC Housing Finance Co. Ltd. Mat 16-Oct-2024	10,98,325	0.11%	AAA
30. 9.30% LIC Housing Finance Ltd. Mat 14-Sep-2022	10,76,154	0.10%	AAA
31. 9.69% Tata Sons Private Ltd NCD Mat 12-Jun-2022	10,67,252	0.10%	AAA
32. 8.75% M&M Financial Services Ltd Mat 09-Oct-2025	10,65,085	0.10%	AAA
33. 9.36% IDFC First Bank Ltd NCD Mat 21-Aug-2024	10,59,427	0.10%	AA
34. 9.45% LIC Housing Finance Co. Ltd. Mat 30-Jan-2022	10,57,696	0.10%	AAA
35. 7.59% LIC Housing Finance Ltd. Mat 14-Oct-2021	10,30,436	0.10%	AAA
36. 8.73% IDFC First Bank Ltd NCD Mat 14-Jun-2022	10,27,383	0.10%	AA
37. 8.55% Bajaj Finance Ltd NCD Mat 26-Apr-2021	10,23,529	0.10%	AAA
38. 9.60% LIC Housing Finance Ltd. Mat 07-Mar-2021	10,22,755	0.10%	AAA
39. 9.15% Shriram Transport Fin NCD Mat 13-Apr-2021	9,83,960	0.09%	AA+
40. 10.25% Shriram Transport Fin NCD Mat 10-Oct-2024	9,23,036	0.09%	AA+
41. 10% Shriram Transport Fin NCD Mat 13-Nov-2024	9,13,547	0.09%	AA+
43. 8.69% IL & FS Ltd NCD Mat 25-Aug-2025. *	-	0.00%	D
Debt Instruments Total	93,51,88,750	89.74%	
Money Market Instruments			
Liquid Mutual Funds			
1. Kotak Liquid - Growth - Direct	7,51,80,375	7.21%	AAA
Money Market Instruments Total	7,51,80,375	7.21%	
Cash/Cash Equivalent & Net Current Assets	3,17,38,455	3.05%	
Grand Total	1,04,21,07,580	100.00%	

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(in ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Average Maturity of Portfolio (in yrs) #	6.78		
Modified Duration (in yrs) #	4.63		
Yield to Maturity (%) (annualised) (at market price) #	6.62%		
Credit Rating Exposure			
Central Government Securities	-	-	
State Development Loans	-	-	
AAA / equivalent	87,47,72,606	83.94%	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	3,35,61,844	3.22%	
AA / equivalent	2,68,54,300	2.58%	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade)	-	0.00%	
(out of above Net NPA)	-	-	
TOTAL	93,51,88,750	89.74%	
Bank FD	-	-	
Equity	-	-	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	7,51,80,375	7.21%	
Cash / cash equivalent net current assets	3,17,38,455	3.05%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	1,04,21,07,580	100.00%	
Units Outstanding	5,35,60,311		
NAV	19.4567		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
c. NAV at March 31,2020		18.3172	
d. NAV at September 30,2020		19.4567	
e. Total outstanding exposure in derivative instruments at September 30,2020		-	
f. Total 'Infrastructure investments' September 30,2020		44,60,30,857	

Calculated on debt portfolio

* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, provision for Sub Standard Assets includes the 100% provision made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision made on IL&FS Bonds. Refer note 2.4 in Notes to Accounts.

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 31, 2019 (UN-AUDITED)

Sr No	Particulars	Scheme C Tier II	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I		
	Open	18.3172	16.3672
	High	19.5117	17.3835
	Low	17.9687	16.2419
	End	19.4567	17.3717
2	Closing Assets Under Management (₹ in Lakhs)		
	End	10,421.08	5497.66
	Average daily net assets (AAuM) II	9,012.09	4692.64
3	Gross income as % of AAuM III	5.93%	5.95%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	5.81%	5.91%
6	Portfolio turnover ratio VII	0.00%	0.0%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year	12.00%	14.61%
	Benchmark	12.70%	14.99%
b	Since inception VIII	94.57%	73.72%
	Benchmark	104.28%	81.21%
c	Compound annualised yield (%) IX		
	Last 1 year	12.00%	14.61%
	Last 2 year	13.30%	7.88%
	Last 3 year	9.24%	8.13%
	Since launch of the scheme	9.73%	9.37%
	Launch Date	August 01, 2013	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	The investments into the mandated assets of the fund started in March 2015. From the date of inception of the fund till March 2015 the inflows were invested in liquid schemes of mutual funds. As per fund objective of Tier II Scheme C, the fund only invests in Corporate Bonds. There is a minimum threshold of Rs.10 Lacs for investment Corporate Bonds and till the time investable amount reaches this threshold, it is invested temporarily in liquid and money market schemes of mutual funds. Due to small size of the fund this has affected the fund performance. Hence, Fund performance since inception of the scheme is not comparable with the benchmark.		
IX	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days)		



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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme G Tier I	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	19,14,81,20,159	12,32,87,81,282
Reserves & Surplus	2	20,54,16,97,694	10,28,65,23,916
Current Liabilities and Provisions	3	54,97,21,452	82,28,55,159
Total		40,23,95,39,305	23,43,81,60,357
Assets			
Investments	4	37,12,45,17,184	22,05,76,67,376
Deposits	5	-	-
Other Current Assets	6	3,11,50,22,121	1,38,04,92,981
Total		40,23,95,39,305	23,43,81,60,357
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		39,68,98,17,853	22,61,53,05,198
(b) Number of units outstanding		1,91,48,12,016	1,23,28,78,128
(c) NAV per unit (a)/(b) (₹)		20.7277	18.3435
Significant accounting policies and notes to accounts	7		

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

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

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

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme G Tier I	
		September 30, 2020	September 30, 2019
Income			
Interest		1,22,61,70,067	72,81,93,492
Profit on sale/redemption of investments		63,01,43,697	74,88,15,976
Unrealised gain on appreciation in investments		8,48,17,201	12,33,86,713
Other income			
- Miscellaneous Income		13	4
Total Income (A)		1,94,11,30,978	1,60,03,96,185
Expenses & Losses			
Unrealised losses in value of investments		-	7,32,06,521
Loss on sale/redemption of investments		1,03,77,392	3,75,12,762
Management fees (including Goods and Service Tax)		21,37,833	11,85,515
NPS Trust fees		9,05,862	1,84,055
Custodian fees		6,26,742	3,49,585
CRA fees		1,16,30,051	85,52,507
Less : Amount recoverable on sale of units on account of CRA Charges		(1,16,30,051)	(85,52,507)
Depository and settlement charges		12,45,378	8,76,761
Total Expenditure (B)		1,52,93,207	11,33,15,199
Surplus/(Deficit) for the year (A-B = C)		1,92,58,37,771	1,48,70,80,986
Less: Amount transferred to Unrealised appreciation account		(8,48,17,201)	(5,01,80,192)
Less: Amount transferred to General Reserve		(1,84,10,20,570)	(1,43,69,00,794)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Initial capital		
Unit capital		
Outstanding units at the beginning of the period	16,25,32,63,719	10,07,14,79,616
Add :Units issued during the period	3,45,97,56,982	2,64,22,70,281
Less: Units redeemed during the period	(56,49,00,542)	(38,49,68,615)
Outstanding at the end of the period	19,14,81,20,159	12,32,87,81,282
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the period	1,62,53,26,372	1,00,71,47,961
Add :Units issued during the period	34,59,75,698	26,42,27,028
Less: Units redeemed during the period	(5,64,90,054)	(3,84,96,861)
Outstanding Units at the end of the period	1,91,48,12,016	1,23,28,78,128

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	10,63,86,87,680	5,34,75,05,283
Add: Premium on Units issued	3,61,02,87,592	2,08,87,51,462
Less: Premium on Units redeemed	(58,59,95,930)	(30,73,69,637)
Closing balance	13,66,29,79,342	7,12,88,87,108
General Reserve		
Opening balance	4,23,29,71,104	1,46,58,10,870
Add/(Less): Transfer from/(to) Revenue Account	1,84,10,20,570	1,43,69,00,794
Closing balance	6,07,39,91,674	2,90,27,11,664
Unrealised Appreciation Reserve		
Opening balance	71,99,09,477	20,47,44,952
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	8,48,17,201	5,01,80,192.00
Closing balance	80,47,26,678	25,49,25,144
Total	20,54,16,97,694	10,28,65,23,916

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Current liabilities & Provisions		
Sundry creditors for expenses	19,69,950	14,19,770
Redemption Payable	2,48,88,451	3,34,55,269
TDS Payable	43,884	35,120
Contracts for purchase of investments	52,28,19,167	78,79,45,000
Total	54,97,21,452	82,28,55,159

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

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

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

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Central and state government securities (including treasury bills)	36,49,92,02,860	21,88,63,83,376
Others - Mutual Fund Units	62,53,14,324	17,12,84,000
Total	37,12,45,17,184	22,05,76,67,376

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Balances with banks in current account	25,239	25,099
Contracts for sale of investments	2,20,20,27,042	82,59,03,889
Outstanding and accrued income	41,29,53,340	37,38,86,549
Brokerage receivable from PFM	16,500	10,000
Application money pending allotment	-	9,99,75,000
Sundry debtors	50,00,00,000	8,06,92,444
Total	3,11,50,22,121	1,38,04,92,981

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME G TIER I being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Central Government, State Government securities and Treasury bills are valued based on iMaCS 's internal valuation methodology as follows

1. For traded securities, Last Traded Yield shall be considered with minimum quantum criteria as
A. Gsec- 5 cr and above, B. State Government Securities- 5 cr and above, C. Treasury bill- 25 cr and above. Outlier trade if any(+/- Bps from the model yield) is not considered for the valuation.
2. For non- traded securities, bid-ask level shall be considered for valuation. If bid-ask yields are not available, the previous day's spread over benchmark is carried forward and considered for valuation.
3. Polling for outliers to be adopted for each level.

Valuation of Money Market Instrument and Mutual Fund.

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly

interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.

Accretion of discount relating to Treasury bills is recognised over the holding / maturity period on a straight-line basis.

Profit or loss on sale of Government securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

1.5 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/installment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

1.6 Units reconciliation

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

1.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.9 Other Expenses

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

2 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Investment management fees	21,37,833	11,85,515

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Investment management fees payable	10,87,044	6,07,797

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme G Tier I			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Ltd		NIL	NIL	NIL	NIL

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme G Tier I			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	36,13,54,51,004	20,09,34,64,629
Purchase of Investment	82,03,39,83,161	79,35,81,72,464
% to average Net Assets Value	227.02%	394.95%
Sale of Investment	76,72,65,29,880	74,65,86,41,657
% to average Net Assets Value	212.33%	371.56%

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

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme G Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	36,13,54,51,004	20,09,34,64,629
Purchase of Investment	30,94,85,60,698	41,32,52,44,463
% to average Net Assets Value	85.65%	205.67%
Sale of Investment	25,89,22,36,041	36,24,99,97,773
% to average Net Assets Value	71.65%	180.41%

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme G Tier I			
	As at September 30, 2020		As at September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Central Government Securities	33,13,38,65,504	83.48%	18,27,23,61,770	80.80%
State Development Loans	3,36,53,37,356	8.48%	3,61,40,21,606	15.98%
Mutual Funds	62,53,14,324	1.58%	17,12,84,000	0.76%
Net Current Assets	2,56,53,00,669	6.46%	55,76,37,822	2.47%
Net Asset Value	39,68,98,17,853	100.00%	22,61,53,05,198	100.00%

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme G Tier I	
			September 30, 2020	September 30, 2019
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	Liquid Mutual Fund	Less than 7 days	NIL	9,99,75,000

2.8 Prior Year Comparatives :

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Debt Instruments			
Central Government Securities			
1. 6.19% GOI Mat 16-Sep-2034	6,38,14,59,500	16.08%	Sovereign
2. 7.40% GOI Mat 09-Sep-2035	5,47,50,90,640	13.79%	Sovereign
3. 7.95% GOI Mat 28-Aug-2032	3,20,02,68,403	8.06%	Sovereign
4. 8.24% GOI Mat 10-Nov-2033	1,82,46,88,345	4.60%	Sovereign
5. 7.73% GOI Mat 19-Dec-2034	1,66,98,63,555	4.21%	Sovereign
6. Gsec C-STRIPS Mat 17-Jun-2027	1,54,90,28,128	3.90%	Sovereign
7. 7.50% GOI Mat 10-Aug-2034	1,23,50,67,504	3.11%	Sovereign
8. 7.72% GOI Mat 15-June-2049	1,11,94,01,000	2.82%	Sovereign
9. 8.30% GOI Mat 31-Dec-2042	1,11,43,91,255	2.81%	Sovereign
10. Gsec C-STRIPS Mat 17-Dec-2027	1,09,47,01,758	2.76%	Sovereign
11. 6.62% GOI Mat 28-Nov-2051	99,52,42,000	2.51%	Sovereign
12. 7.06% GOI Mat 10-Oct-2046	93,88,91,345	2.37%	Sovereign
13. 8.33% GOI Mat 07-June-2036	93,47,98,227	2.36%	Sovereign
14. 7.26% GOI Mat 14-Jan-2029	85,46,96,000	2.15%	Sovereign
15. 8.83% GOI Mat 12-Dec-2041	72,16,38,253	1.82%	Sovereign
16. 7.88%GOI Mat 19-Mar-2030	40,66,13,351	1.02%	Sovereign
17. Gsec C-STRIPS Mat 17-Dec-2026	36,22,41,245	0.91%	Sovereign
18. 8.30% GOI Mat 02-Jul-2040	33,73,41,885	0.85%	Sovereign
19. 8.60% GOI Mat 02-Jun-2028	30,52,77,607	0.77%	Sovereign
20. 7.16% GOI Mat 20-Sep-2050	26,28,77,000	0.66%	Sovereign
21. 7.57% GOI Mat 17-June-2033	24,07,75,700	0.61%	Sovereign
22. 7.19% GOI Mat 15-Sep-2060	21,21,08,600	0.53%	Sovereign
23. 8.28% GOI Mat 21-Sep-2027	19,49,78,317	0.49%	Sovereign
24. Gsec C-STRIPS Mat 17-June-2028	16,20,08,529	0.41%	Sovereign
25. 8.15% GOI Mat 24-Nov-2026	12,10,20,683	0.30%	Sovereign
26. 7.61% GOI Mat 09-May-2030	11,81,53,300	0.30%	Sovereign
27. 7.17% GOI Mat 08-Jan-2028	10,61,86,600	0.27%	Sovereign
28. 7.59% GOI Mat 20-Mar-2029	10,31,09,390	0.26%	Sovereign
29. Gsec C-STRIPS Mat 15-Mar-2027	10,24,31,163	0.26%	Sovereign
30. Gsec C-STRIPS Mat 15-Sep-2027	9,89,30,158	0.25%	Sovereign
31. 8.17% GOI Mat 01-Dec-2044	7,21,02,245	0.18%	Sovereign
32. Gsec C-STRIPS Mat 10-Feb-2027	5,88,54,671	0.15%	Sovereign
33. Gsec C-STRIPS Mat 10-Aug-2027	5,68,46,858	0.14%	Sovereign
34. 8.33% GOI Mat 09-Jul-2026	5,44,03,761	0.14%	Sovereign
35. 8.20% GOI Mat 24-Sep-2025	5,23,41,920	0.13%	Sovereign
36. 7.37% GOI Mat 16-Apr-2023	5,23,16,950	0.132%	Sovereign
37. 7.72% GOI Mat 26-Oct-2055	5,05,21,929	0.127%	Sovereign
38. 9.20% GOI Mat 30-Sep-2030	4,93,36,098	0.124%	Sovereign
39. 7.69% GOI Mat 17-June-2043	4,76,65,812	0.120%	Sovereign
40. 7.63% GOI Mat 17-June-2059	4,03,85,034	0.102%	Sovereign
41. Gsec C-STRIPS Mat 26-Apr-2027	3,64,10,477	0.092%	Sovereign
42. Gsec C-STRIPS Mat 17-Dec-2028	3,61,59,924	0.091%	Sovereign
43. Gsec C-STRIPS Mat 26-Oct-2027	3,51,63,288	0.089%	Sovereign
44. Gsec C-STRIPS Mat 15-Jun-2027	3,35,34,290	0.084%	Sovereign
45. Gsec C-STRIPS Mat 15-Dec-2027	3,23,82,609	0.082%	Sovereign
46. Gsec C-STRIPS Mat 15-Jun-2028	3,12,50,699	0.079%	Sovereign
47. 8.13% GOI Mat 22-Jun-2045	3,07,46,282	0.077%	Sovereign
48. Gsec C-STRIPS Mat 15-Dec-2028	3,01,36,653	0.076%	Sovereign
49. 6.68% GOI Mat 17-Sep-2031	2,37,08,194	0.060%	Sovereign
50. 8.28% GOI Mat 15-Feb-2032	1,70,27,928	0.043%	Sovereign
51. 9.23% GOI Mat 23-Dec-2043	1,28,16,324	0.032%	Sovereign
52. 6.57% GOI Mat 05-Dec-2033	1,23,52,513	0.031%	Sovereign
53. 8.32% GOI Mat 02-Aug-2032	1,02,57,113	0.026%	Sovereign
54. 8.24% GOI Mat 15-Feb-2027	86,71,398	0.022%	Sovereign
55. 8.26% GOI Mat 02-Aug-2027	27,95,523	0.007%	Sovereign
56. 8.40% GOI Mat 28-Jul-2024	11,71,087	0.003%	Sovereign
57. 7.72% GOI Mat 25-May-2025	10,88,618	0.003%	Sovereign
58. 7.16% GOI Mat 20-May-2023	1,37,865	0.000%	Sovereign
State Development Loans			
1. 8.25% Gujrat SDL Mat 25-Apr-2028	65,29,72,200	1.65%	Sovereign
2. 8.08% Maharashtra SDL Mat 26-Dec-2028	46,44,35,990	1.17%	Sovereign
3. 8.16% Gujrat SDL Mat 09-May-2028	27,08,28,750	0.68%	Sovereign
4. 7.10% Maharashtra SDL Mat 30-Sep-2032	25,39,06,000	0.64%	Sovereign
5. 7.83% Maharashtra SDL Mat 08-Apr-2030	15,27,65,228	0.38%	Sovereign
6. 7.60% Maharashtra SDL Mat 15-Apr-2030	10,51,85,300	0.27%	Sovereign
7. 7.28% Gujrat SDL Mat 18-Dec-2029	10,30,94,000	0.26%	Sovereign
8. 7.20% Maharashtra SDL Mat 23-Oct-2029	10,25,30,800	0.26%	Sovereign
9. 8.53% Tamil Nadu SDL Mat 28-Nov-2028	8,24,18,587	0.21%	Sovereign
10. 9.53% Gujrat SDL Mat 12-Feb-2024	7,82,74,630	0.20%	Sovereign
11. 8.38% Gujrat SDL Mat 27-Feb-2029	7,68,45,020	0.19%	Sovereign
12. 8.30% Gujrat SDL Mat 06-Feb-2029	7,64,54,910	0.19%	Sovereign
13. 8.37% Tamil Nadu SDL Mat 05-Dec-2028	6,29,66,997	0.16%	Sovereign
14. 9.39% Maharashtra SDL Mat 20-Nov-2033	5,68,54,953	0.14%	Sovereign
15. 9.63% Maharashtra SDL Mat 12-Feb-2024	5,60,61,700	0.14%	Sovereign
16. 9.24% Maharashtra SDL Mat 16-Jan-2024	5,53,78,950	0.14%	Sovereign
17. 8.61% Tamil Nadu SDL Mat 03-Sep-2027	5,53,33,100	0.14%	Sovereign
18. 8.35% Gujrat SDL Mat 06-Mar-2029	5,48,06,400	0.14%	Sovereign
19. 8.28% Gujrat SDL Mat 20-Feb-2029	5,45,64,900	0.14%	Sovereign
20. 8.17% Gujrat SDL Mat 19-Dec-2028	5,42,82,750	0.14%	Sovereign
8.05% Tamil Nadu SDL Mat 18-April-2028	5,38,83,900	0.14%	Sovereign
7.78% Maharashtra SDL Mat 24-Mar-2029	5,30,84,650	0.13%	Sovereign
7.26% Gujrat SDL Mat 11-Dec-2029	5,14,77,350	0.13%	Sovereign
7.96% Maharashtra SDL Mat 29-Jun-2026	5,02,61,988	0.13%	Sovereign

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
8.36% Maharashtra SDL Mat 27-Jan-2026	4,98,34,008	0.13%	Sovereign
8.47% Maharashtra SDL Mat 10-Feb-2026	4,89,93,840	0.12%	Sovereign
8.67% Maharashtra SDL Mat 24-Feb-2026	3,29,49,150	0.08%	Sovereign
8.60% Gujrat SDL Mat 17-Oct-2028	3,16,66,741	0.08%	Sovereign
8.65% Gujrat SDL Mat 10-Oct-2028	2,78,40,025	0.07%	Sovereign
8.47% Gujrat SDL Mat 21-Aug-2028	2,20,23,900	0.06%	Sovereign
8.18% Tamil Nadu SDL Mat 19-Dec-2028	2,17,25,520	0.05%	Sovereign
8.72% Andhra Pradesh SDL Mat 24-Feb-2026	1,09,95,980	0.03%	Sovereign
7.18% Tamil Nadu SDL Mat 26-July-2027	1,02,96,500	0.03%	Sovereign
8.00% Tamil Nadu SDL Mat 28-Oct-2025	86,07,456	0.02%	Sovereign
8.50% Gujrat SDL Mat 28-Nov-2028	77,13,434	0.02%	Sovereign
8.24% Andhra Pradesh SDL Mat 09-Sep-2025	46,89,161	0.01%	Sovereign
8.44% Tamil Nadu SDL Mat 26-Nov-2024	44,29,740	0.01%	Sovereign
8.17% Tamil Nadu SDL Mat 26-Nov-2025	26,65,041	0.01%	Sovereign
9.49% Tamil Nadu SDL Mat 18-Dec-2023	11,20,304	0.00%	Sovereign
9.77% Andhra Pradesh SDL Mat 28-Aug-2023	11,17,503	0.00%	Sovereign
Debt Instruments Total	36,49,92,02,860	91.96%	
Money Market Instruments			
Liquid Mutual Funds			
1. Aditya Birla Sun Life Overnight Fund - Growth -Direct Plan	62,53,14,324	1.58%	AAA
Money Market Instruments Total	62,53,14,324	1.58%	
Cash/Cash Equivalent & Net Current Assets	2,56,53,00,669	6.46%	
Grand Total	39,68,98,17,853	100.00%	
Average Maturity of Portfolio (in yrs) #	14.31		
Modified Duration (in yrs) #	8.54		
Yield to Maturity (%) (annualised) (at market price) #	6.57%		
Credit Rating Exposure			
Central Government Securities	33,13,38,65,504	83.48%	
State Development Loans	3,36,53,37,356	8.48%	
AAA / equivalent	-	-	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	-	-	
AA / equivalent	-	-	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade) (out of above Net NPA)	-	-	
TOTAL	36,49,92,02,860	91.96%	
Bank FD	-	-	
Equity	-	-	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	62,53,14,324	1.58%	
Cash / cash equivalent net current assets	2,56,53,00,669	6.46%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	39,68,98,17,853	100.00%	
Units Outstanding NAV	1,91,48,12,016 20.7277		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
c. NAV at March 31,2020		19.5928	
d. NAV at September 30,2020		20.7277	
e. Total outstanding exposure in derivative instruments at September 30, 2020		-	
f. Total 'Infrastructure investments' September 30, 2020		-	

Calculated on debt portfolio

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Sr No	Particulars	Scheme G Tier I	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I		
	Open	19.5928	16.9682
	High	20.9255	18.6512
	Low	19.2216	16.8502
	End	20.7277	18.3435
2	Closing Assets Under Management (₹ in Lakhs)		
	End	3,96,898.18	2,26,153.05
	Average daily net assets (AAuM) II	3,61,354.51	2,00,934.65
3	Gross income as % of AAuM III	5.37%	7.96%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	5.33%	7.40%
6	Portfolio turnover ratio VII	71.65%	180.41%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year	13.00%	18.48%
	Benchmark	10.97%	18.72%
b	Since inception	107.28%	83.44%
	Benchmark	97.87%	78.29%
c	Compound annualised yield (%) VIII		
	Last 1 year	13.00%	18.48%
	Last 2 year	15.70%	8.52%
	Last 3 year	9.99%	7.67%
	Since launch of the scheme	10.70%	10.34%
	Launch Date	August 01, 2013	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ - 1 (where n=365/no. of days)		



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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

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Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme G Tier II	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	81,74,09,432	38,80,42,201
Reserves & Surplus	2	89,90,55,872	34,03,29,909
Current Liabilities and Provisions	3	1,81,40,970	2,14,91,903
Total		1,73,46,06,274	74,98,64,013
Assets			
Investments	4	1,70,21,85,652	73,84,96,728
Deposits	5	-	-
Other Current Assets	6	3,24,20,622	1,13,67,285
Total		1,73,46,06,274	74,98,64,013
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		1,71,64,65,304	72,83,72,110
(b) Number of units outstanding		8,17,40,943	3,88,04,220
(c) NAV per unit (a)/(b) (₹)		20.9988	18.7704
Significant accounting policies and notes to accounts	7		

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

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

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

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme G Tier II	
		September 30, 2020	September 30, 2019
Income			
Interest		4,74,82,966	2,10,00,291
Profit on sale/redemption of investments		7,69,374	13,05,398
Unrealised gain on appreciation in investments		1,54,55,106	1,99,34,119
Other income			
- Miscellaneous Income		2	486
Total Income (A)		6,37,07,448	4,22,40,294
Expenses & Losses			
Unrealised losses in value of investments		-	4,569
Loss on sale/redemption of investments		-	-
Management fees (including Goods and Service Tax)		83,677	35,141
NPS Trust fees		35,456	5,849
Custodian fees		23,542	10,119
CRA fees		1,19,274	66,215
Less : Amount recoverable on sale of units on account of CRA Charges		(1,19,274)	(66,215)
Depository and settlement charges		51,927	4,115
Other Expenses, if any		-	-
Total Expenditure (B)		1,94,602	59,793
Surplus/(Deficit) for the year (A-B = C)		6,35,12,846	4,21,80,501
Less: Amount transferred to Unrealised appreciation account		(1,54,55,106)	(1,99,29,550)
Less: Amount transferred to General Reserve		(4,80,57,740)	(2,22,50,951)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Initial capital		
Unit capital		
Outstanding units at the beginning of the period	56,78,93,019	26,89,56,194
Add :Units issued during the period	54,03,77,814	27,58,70,982
Less: Units redeemed during the period	(29,08,61,401)	(15,67,84,975)
Outstanding at the end of the period	81,74,09,432	38,80,42,201
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the period	5,67,89,302	2,68,95,619
Add :Units issued during the period	5,40,37,781	2,75,87,098
Less: Units redeemed during the period	(2,90,86,140)	(1,56,78,497)
Outstanding Units at the end of the period	8,17,40,943	3,88,04,220

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	42,14,13,911	15,35,81,178
Add: Premium on Units issued	58,21,52,431	23,47,45,678
Less: Premium on Units redeemed	(31,14,44,918)	(13,45,34,970)
Closing balance	69,21,21,424	25,37,91,886
General Reserve		
Opening balance	9,81,83,558	4,17,42,472
Add/(Less): Transfer from/(to) Revenue Account	4,80,57,740	2,22,50,951
Closing balance	14,62,41,298	6,39,93,423
Unrealised Appreciation Reserve		
Opening balance	4,52,38,044	26,15,050
Add: Adjustment for Previous years unrealised appreciation reserve		
Add/(Less): Transfer from/(to) Revenue Account	1,54,55,106	1,99,29,550
Closing balance	6,06,93,150	2,25,44,600
Total	89,90,55,872	34,03,29,909

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Current liabilities & Provisions		
Sundry creditors for expenses	70,760	32,618
Redemption Payable	1,80,68,792	2,14,58,454
TDS Payable	1,418	831
Total	1,81,40,970	2,14,91,903

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

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

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

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Central and state government securities (including treasury bills)	1,61,87,68,695	72,11,51,728
Others - Mutual Fund Units	8,34,16,957	1,73,45,000
Total	1,70,21,85,652	73,84,96,728

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Balances with banks in current account	5,477	4,881
Outstanding and accrued income	2,24,15,145	1,13,62,404
Sundry debtors	1,00,00,000	-
Total	3,24,20,622	1,13,67,285

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt.Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME G TIER II being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver - Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Central Government, State Government securities and Treasury bills are valued based on iMaCS 's internal valuation methodology as follows

1.For traded securities, Last Traded Yield shall be considered with minimum quantum criteria as A. Gsec- 5 cr and above, B. State Government Securities- 5 cr and above, C. Treasury bill- 25 cr and above. Outlier trade if any(+/- Bps from the model yield) is not considered for the valuation.

2.For non- traded securities, bid-ask level shall be considered for valuation. If bid-ask yields are not available, the previous day's spread over benchmark is carried forward and considered for valuation.

3.Polling for outliers to be adopted for each level.

Valuation of Money Market Instrument and Mutual Fund.

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due date upto the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly

interest received at the time of sale for the period from the last interest due date upto the date of sale credited to Interest Recoverable Account and not included in sale value.

Accretion of discount relating to Treasury bills is recognised over the holding / maturity period on a straight-line basis.

Profit or loss on sale of Government securities is the difference between the sale consideration net of expenses and the weighted average amortised cost as on the date of sale.

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

1.5 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/installment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) are recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

1.6 Units reconciliation

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

1.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.9 Other Expenses

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

2 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Investment management fees	83,677	35,141

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Investment management fees payable	44,874	18,943

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme G Tier II			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Ltd		NIL	NIL	NIL	NIL

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme G Tier II			
		September 30, 2020		September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	1,41,43,80,904	59,56,13,651
Purchase of Investment	4,84,02,34,524	4,63,06,96,825
% to average Net Assets Value	342.22%	777.47%
Sale of Investment	4,28,41,27,427	4,36,49,19,827
% to average Net Assets Value	302.90%	732.84%

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

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme G Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	1,41,43,80,904	59,56,13,651
Purchase of Investment	55,06,01,947	25,75,01,825
% to average Net Assets Value	38.93%	43.23%
Sale of Investment	2,95,65,720	36,69,206
% to average Net Assets Value	2.09%	0.62%

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme G Tier II			
	September 30, 2020		September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Central Government Securities	1,36,19,06,246	79.34%	52,25,88,863	71.75%
State Development Loans	25,68,62,449	14.96%	19,85,62,865	27.26%
Mutual Funds	8,34,16,957	4.86%	1,73,45,000	2.38%
Net Current Assets	1,42,79,652	0.83%	(1,01,24,618)	-1.39%
Net Asset Value	1,71,64,65,304	100.00%	72,83,72,110	100.00%

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme G Tier II	
			September 30, 2020	September 30, 2019
			NIL	NIL

2.8 Prior Year Comparatives :

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

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Debt Instruments			
Central Government Securities			
1. 7.57% GOI Mat 17-June-2033	25,17,20,050	14.67%	Sovereign
2. 7.16% GOI Mat 20-Sep-2050	15,77,26,200	9.19%	Sovereign
3. 6.19% GOI Mat 16-Sep-2034	14,72,64,450	8.58%	Sovereign
4. 8.24% GOI Mat 10-Nov-2033	11,72,68,658	6.83%	Sovereign
5. 7.72% GOI Mat 15-June-2049	11,19,40,100	6.52%	Sovereign
6. 7.40% GOI Mat 09-Sep-2035	10,87,44,300	6.34%	Sovereign
7. 7.50% GOI Mat 10-Aug-2034	5,69,35,736	3.32%	Sovereign
8. Gsec C-STRIPS Mat 17-Dec-2027	4,51,57,770	2.63%	Sovereign
9. 7.95% GOI Mat 28-Aug-2032	3,93,04,300	2.29%	Sovereign
10. Gsec C-STRIPS Mat 17-June-2028	3,11,27,950	1.81%	Sovereign
11. 8.32% GOI Mat 02-Aug-2032	2,86,02,231	1.67%	Sovereign
12. 8.17% GOI Mat 01-Dec-2044	2,67,99,168	1.56%	Sovereign
13. 6.68% GOI Mat 17-Sep-2031	2,05,62,180	1.20%	Sovereign
14. 7.61% GOI Mat 09-May-2030	1,84,71,700	1.08%	Sovereign
15. 8.28% GOI Mat 15-Feb-2032	1,83,78,261	1.07%	Sovereign
16. 7.73% GOI Mat 19-Dec-2034	1,80,03,229	1.05%	Sovereign
17. 8.60% GOI Mat 02-Jun-2028	1,73,39,328	1.01%	Sovereign
18. 8.83% GOI Mat 12-Dec-2041	1,60,25,217	0.93%	Sovereign
19. 7.06% GOI Mat 10-Oct-2046	1,48,45,895	0.86%	Sovereign
20. 9.20% GOI Mat 30-Sep-2030	1,41,83,827	0.83%	Sovereign
21. 8.30% GOI Mat 02-Jul-2040	1,24,82,467	0.73%	Sovereign
22. 8.40% GOI Mat 28-Jul-2024	1,04,51,399	0.61%	Sovereign
23. 7.72% GOI Mat 25-May-2025	97,97,562	0.57%	Sovereign
24. 8.13% GOI Mat 22-Jun-2045	95,86,426	0.56%	Sovereign
25. 6.57% GOI Mat 05-Dec-2033	80,18,476	0.47%	Sovereign
26. 8.15% GOI Mat 24-Nov-2026	78,56,177	0.46%	Sovereign
27. 7.88%GOI Mat 19-Mar-2030	74,86,475	0.44%	Sovereign
28. 8.24% GOI Mat 15-Feb-2027	70,97,824	0.41%	Sovereign
29. 8.30% GOI Mat 31-Dec-2042	64,68,011	0.38%	Sovereign
30. 8.20% GOI Mat 24-Sep-2025	56,06,480	0.33%	Sovereign
31. 7.59% GOI Mat 20-Mar-2029	54,26,810	0.32%	Sovereign
32. 9.23% GOI Mat 23-Dec-2043	39,43,484	0.23%	Sovereign
33. 8.33% GOI Mat 09-Jul-2026	33,50,673	0.20%	Sovereign
34. 8.33% GOI Mat 07-June-2036	23,44,792	0.14%	Sovereign
35. 7.72% GOI Mat 26-Oct-2055	11,29,234	0.07%	Sovereign
36. 8.28% GOI Mat 21-Sep-2027	2,24,927	0.01%	Sovereign
37. 8.26% GOI Mat 02-Aug-2027	1,23,497	0.01%	Sovereign
38. 8.12% GOI Mat 10-Dec-2020	1,10,982	0.01%	Sovereign
State Development Loans			
1. 8.25% Gujrat SDL Mat 25-Apr-2028	5,44,14,350	3.17%	Sovereign
2. 8.47% Gujrat SDL Mat 21-Aug-2028	3,30,35,850	1.92%	Sovereign
3. 8.30% Gujrat SDL Mat 06-Feb-2029	2,98,82,948	1.74%	Sovereign
4. 9.53% Gujrat SDL Mat 12-Feb-2024	2,23,64,180	1.30%	Sovereign
5. 8.17% Gujrat SDL Mat 19-Dec-2028	2,17,13,100	1.26%	Sovereign
6. 8.18% Tamil Nadu SDL Mat 19-Dec-2028	1,76,41,121	1.03%	Sovereign
7. 8.38% Gujrat SDL Mat 27-Feb-2029	1,57,09,318	0.92%	Sovereign
8. 8.37% Tamil Nadu SDL Mat 05-Dec-2028	1,09,77,510	0.64%	Sovereign
9. 8.08% Maharashtra SDL Mat 26-Dec-2028	98,91,078	0.58%	Sovereign
10. 8.58% Gujrat SDL Mat 31-Oct-2028	85,79,009	0.50%	Sovereign
11. 8.68% Tamil Nadu SDL Mat 10-Oct-2028	80,16,411	0.47%	Sovereign
12. 8.79% Gujrat SDL Mat 12-Sep-2028	58,41,567	0.34%	Sovereign
13. 8.47% Maharashtra SDL Mat 10-Feb-2026	54,43,760	0.32%	Sovereign
14. 7.20% Maharashtra SDL Mat 09-Aug-2027	51,54,385	0.30%	Sovereign
15. 8.36% Maharashtra SDL Mat 27-Jan-2026	43,33,392	0.25%	Sovereign
16. 7.96% Maharashtra SDL Mat 29-Jun-2026	32,08,212	0.19%	Sovereign
17. 8.44% Tamil Nadu SDL Mat 26-Nov-2024	6,56,258	0.04%	Sovereign
Debt Instruments Total	1,61,87,68,695	94.31%	
Money Market Instruments			
Liquid Mutual Funds			
1. Aditya Birla Sun Life Overnight Fund - Growth -Direct Plan	8,34,16,957	4.86%	AAA
Money Market Instruments Total	8,34,16,957	4.86%	
Cash/Cash Equivalent & Net Current Assets	1,42,79,652	0.83%	
Grand Total	1,71,64,65,304	100.00%	

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Average Maturity of Portfolio (in yrs) #	14.96		
Modified Duration (in yrs) #	8.49		
Yield to Maturity (%) (annualised) (at market price) #	6.62%		
Credit Rating Exposure			
Central Government Securities	1,36,19,06,246	79.34%	
State Development Loans	25,68,62,449	14.96%	
AAA / equivalent	-	-	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	-	-	
AA / equivalent	-	-	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade) (out of above Net NPA)	-	-	
TOTAL	1,61,87,68,695	94.31%	
Bank FD	-	-	
Equity	-	-	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	8,34,16,957	4.86%	
Cash / cash equivalent net current assets	1,42,79,652	0.83%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	1,71,64,65,304	100.00%	
Units Outstanding	8,17,40,943		
NAV	20.9988		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
d. NAV at March 31,2020		19.9461	
d. NAV at September 30,2020		20.9988	
e. Total outstanding exposure in derivative instruments at September 30,2020		-	
f. Total 'Infrastructure investments' September 30,2020		-	

Calculated on debt portfolio

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN - AUDITED)

Sr No	Particulars	Scheme G Tier II	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I		
	Open	19.9461	17.3595
	High	21.2503	18.9909
	Low	19.5644	17.2445
	End	20.9988	18.7704
2	Closing Assets Under Management (₹ in Lakhs)		
	End	17,164.65	7,283.72
	Average daily net assets (AAuM) II	14,143.81	5,956.14
3	Gross income as % of AAuM III	4.50%	7.09%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	4.49%	7.08%
6	Portfolio turnover ratio VII	2.09%	0.62%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year	11.87%	18.70%
	Benchmark	10.97%	18.72%
b	Since inception	109.99%	87.70%
	Benchmark	97.87%	78.29%
c	Compound annualised yield (%) VIII		
	Last 1 year	11.87%	18.70%
	Last 2 years	15.23%	8.64%
	Last 3 years	9.71%	7.70%
	Since launch of the scheme	10.90%	10.75%
	Launch Date	August 01, 2013	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units)		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ - 1 (where n=365/no. of days)		



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

**Un-audited Financial Statements for the half year
ended September 30, 2020**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme A Tier I	
		September 30, 2020	September 30, 2019
Liabilities			
Unit Capital	1	17,59,59,510	9,18,34,604
Reserves & Surplus	2	6,58,42,653	2,48,89,377
Current Liabilities and Provisions	3	1,85,718	1,48,209
Total		24,19,87,881	11,68,72,190
Assets			
Investments	4	23,70,27,153	11,30,25,042
Deposits	5	-	-
Other Current Assets	6	49,60,728	38,47,148
Total		24,19,87,881	11,68,72,190
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		24,18,02,163	11,67,23,981
(b) Number of units outstanding		1,75,95,951	91,83,460
(c) NAV per unit (a)/(b) (₹)		13.7419	12.7102
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar

(Director)

Parvez Mulla

(Director)

Sumit Shukla

(Chief Executive Officer)

Fagun Pancholi

(Chief Financial Officer)

Nagesh Pai

(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme A Tier I	
		September 30, 2020	September 30, 2019
Income			
Interest		71,81,022	32,39,083
Profit on sale/redemption of investments		1,79,771	8,81,010
Unrealised gain on appreciation in investments		44,22,173	-
Other income			
- Miscellaneous Income		-	-
Total Income (A)		1,17,82,966	41,20,093
Expenses & Losses			
Unrealised losses in value of investments		-	3,70,589
Management fees (including Goods and Service Tax)		12,575	5,759
NPS Trust fees		5,328	928
Custodian fees		2,952	1,388
CRA fees		1,02,752	66,508
Less : Amount recoverable on sale of units on account of CRA Charges		(1,02,752)	(66,508)
Depository and settlement charges		2,262	221
Other Expenses		-	-
Total Expenditure (B)		23,117	3,78,885
Surplus/(Deficit) for the year (A-B = C)		1,17,59,849	37,41,208
Less: Amount transferred to Unrealised appreciation account		(17,34,552)	3,70,589
Less: Amount transferred to General Reserve		(1,00,25,297)	(41,11,797)
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Initial capital		
<u>Unit capital</u>		
Outstanding at the beginning of the year	14,27,30,975	6,33,04,044
Add :Units issued during the year	4,18,44,421	3,27,08,556
Less: Units redeemed during the year	(86,15,886)	(41,77,996)
Outstanding at the end of the year	17,59,59,510	9,18,34,604
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	1,42,73,097	63,30,404
Add :Units issued during the year	41,84,442	32,70,856
Less: Units redeemed during the year	(8,61,589)	(4,17,800)
Outstanding Units at the end of the year	1,75,95,951	91,83,460

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	3,17,94,171	88,36,475
Add: Premium on Units issued	1,37,30,810	81,82,519
Less: Premium on Units redeemed	(28,27,803)	(10,46,686)
Closing balance	4,26,97,178	1,59,72,308
General Reserve		
Opening balance	1,12,67,881	39,05,214
Add: Transfer from Revenue Account	1,00,25,297	41,11,797
Closing balance	2,12,93,178	80,17,011
Unrealised Appreciation Reserve		
Opening balance	1,17,745	12,70,647
Add: Transfer from Revenue Account	17,34,552	(3,70,589)
Closing balance	18,52,297	9,00,058
Total	6,58,42,653	2,48,89,377

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Current liabilities		
Sundry creditors for expenses	9,244	4,749
Redemption Payable	1,76,291	1,43,336
TDS Payable	183	124
Total	1,85,718	1,48,209

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

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

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

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Others - Mutual Fund Units	7,90,63,706	65,98,000
Basel III Tier I bonds	15,79,63,447	10,64,27,042
Total	23,70,27,153	11,30,25,042

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Balances with banks in current account	5,101	5,127
Outstanding and accrued income	49,55,627	38,42,021
Total	49,60,728	38,47,148

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

Central Record Keeping Agency (CRA): National Securities Depository Limited (NSDL), Karvy Computershare Pvt. Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS. Some of the key responsibilities of the CRA include the following:

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

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME A TIER I being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Securities traded at a stock exchange:

Traded debt securities (other than government securities) are valued at weighted average traded price on that day reported on National Stock Exchange (NSE) /Bombay Stock Exchange (BSE). Preference is given to NSE trade over BSE trade.

Securities not traded at a stock exchange:

Non-traded debt securities (i.e. securities not reported on exchanges) are valued at a yield to maturity basis by using matrix of spread over risk free asset constructed by IMaCS. Matrix is classified into two categories TRAD & NPR. TRAD Matrix (Comprises of sectors like MFTG, BANK, HFC) & NPR Matrix (Comprises of sectors like NBFC, Real Estate). Matrix is constructed basis each rating category and for all tenor. Any security falling into respective matrix type (TRAD or NPR) are valued as per that matrix basis conservative rating of that security and modified duration.

Valuation of securities having call and/or Put options:

- a) Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- b) Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- c) The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.

d) For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

e) For perpetual bank bond, the first Call date of the bond shall be considered as deemed date of maturity for the valuation purpose

Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

On Friday or on last working day before the market holiday, the valuation convention shall be T+1 for corporate bonds.

Valuation of Money Market Investment and Mutual Fund

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

1.5 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/installment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

Valuation of performing non-government debt securities below investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18, 2000).

1.6 Units reconciliation

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

1.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.9 Other Expenses

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

2 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Investment management fees	12,575	5,759

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Investment management fees payable	6,497	3,019

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme A Tier I			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC LTD		NIL	NIL	NIL	NIL

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme A Tier I			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	21,25,52,839	9,76,09,305
Purchase of Investment	7,40,21,197	2,90,72,17,928
% to average Net Assets Value	34.82%	2978.42%
Sale of Investment	1,96,50,002	2,86,71,07,009
% to average Net Assets Value	9.24%	2937.33%

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

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme A Tier I	
	September 30, 2020	September 30, 2019
Average Net Asset Value	21,25,52,839	9,76,09,305
Purchase of Investment	-	5,23,76,929
% to average Net Assets Value	-	53.66%
Sale of Investment	-	-
% to average Net Assets Value	-	-

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme A Tier I			
	September 30, 2020		September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Monetary intermediation of commercial / saving / postal banks	15,79,63,447	65.33%	10,64,27,042	91.18%
Mutual Funds	7,90,63,706	32.70%	65,98,000	5.65%
Net Current Assets	47,75,010	1.97%	36,98,939	3.17%
Net Asset Value	24,18,02,163	100.00%	11,67,23,981	100.00%

Note :

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

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme A Tier I	
			September 30, 2020	September 30, 2019
			NIL	NIL

2.8 Prior Year Comparatives :

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

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Asset Backed, Trust Structured and Miscellaneous Investments			
Basel III Tier-1 bonds			
1. 8.75 SBI Bank Perpetual AT-1 (Call date30/08/2024)	5,21,42,632	21.56%	AA+
2. 9.15% ICICI Bank Ltd NCD Perpetual AT-1 (Call date 20-Jun-2023)	4,12,99,236	17.08%	AA+
3. 9.50 Indusind Bank Perpetual AT-1 (Call date18/04/2022)	1,87,10,939	7.74%	AA
4. 9.90 ICICI Bank Perpetual AT-1 (Call date28/12/2023)	1,58,83,858	6.57%	AA+
5. 10.50 Indusind Bank Perpetual AT-1 (Call date28/03/2024)	1,05,83,410	4.38%	AA
6. 9.20 ICICI Bank Perpetual AT-1 (Call date17/03/2022)	71,65,439	2.96%	AA+
7. 8.75 Axis Bank Perpetual AT-1 Series26(Call date14/12/2021)	70,87,271	2.93%	AA+
8. 8.15 SBI Bank Perpetual AT-1 (Call date02/008/2022)	50,90,662	2.11%	AA+
Asset Backed, Trust Structured and Miscellaneous Investments Total	15,79,63,447	65.33%	
Money Market Instruments			
Liquid Mutual Funds			
1. Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	7,90,63,706	32.70%	AAA
Money Market Instruments Total	7,90,63,706	32.70%	
Cash/Cash Equivalent & Net Current Assets	47,75,010	1.97%	
Grand Total	24,18,02,163	100.00%	
Average Maturity of Portfolio (in yrs)	N.A.		
Modified Duration (in yrs)	N.A.		
Yield to Maturity (%) (annualised) (at market price)	N.A.		
Credit Rating Exposure			
Central Government Securities	-	-	
State Development Loans	-	-	
AAA / equivalent	-	-	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	12,86,69,098	53.21%	
AA / equivalent	2,92,94,349	12.12%	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade) (out of above Net NPA)	-	-	
TOTAL	15,79,63,447	65.33%	
Bank FD	-	-	
Equity	-	-	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	7,90,63,706	32.70%	
Cash / cash equivalent net current assets	47,75,010	1.97%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	24,18,02,163	100.00%	
Units Outstanding	1,75,95,951		
NAV	13.7419		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
c. NAV at March 31,2020		13.0252	
d. NAV at September 30,2020		13.7419	
e. Total outstanding exposure in derivative instruments at September 30, 2020		-	
f. Total 'Infrastructure investments' September 30, 2020		-	

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Sr No	Particulars	Scheme A Tier I	
		September 30, 2020	September 30, 2019
1	NAV per unit (₹) I		
	Open	13.0252	12.2134
	High	13.7684	12.8194
	Low	12.6069	12.1601
	End	13.7419	12.7102
2	Closing Assets Under Management (₹ in Lakhs)		
	End	2,418.02	1,167.24
	Average daily net assets (AAuM) II	2,125.53	976.09
3	Gross income as % of AAuM III	5.54%	4.22%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	0.01%
b	Management fee as % of AAuM (scheme wise) V	0.01%	0.01%
5	Net income as % of AAuM VI	5.53%	3.83%
6	Portfolio turnover ratio VII	0.00%	0.00%
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year	8.12%	12.74%
	Benchmark VIII	N.A.	N.A.
b	Since inception	37.42%	27.10%
	Benchmark VIII	N.A.	N.A.
c	Compound annualised yield (%) IX		
	Last 1 year	8.12%	12.74%
	Last 2 year	10.40%	8.48%
	Last 3 year	8.36%	N.A.
	Since launch of the scheme	8.32%	8.40%
	Launch Date	October 10, 2016	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	As per fund objective of Scheme A, the fund is mandated to invest in Commercial/Residential mortgage based securities, Units issued by REITs, Alternative Investment Funds, Units issued by InvITs, Asset backed securities, etc. for that there is no comparable market benchmarks is available and hence benchmark returns are not disclosed for this fund.		
IX	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return)^n - 1 (where n=365/no. of days)		



**NPS TRUST A/C HDFC PENSION MANAGEMENT
COMPANY LIMITED
SCHEME TAX SAVER TIER II**

**Un-audited Financial Statements for the half year
ended September 30, 2020**

Contents

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts

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

UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme Tax Saver Tier II	
		September 30, 2020	September 30, 2019 *
Liabilities			
Unit Capital	1	2,07,012	-
Reserves & Surplus	2	378	-
Current Liabilities and Provisions	3	1	-
Total		2,07,391	-
Assets			
Investments	4	2,02,242	-
Deposits	5	-	-
Other Current Assets	6	5,149	-
Total		2,07,391	-
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		2,07,390	-
(b) Number of units outstanding		20,701	-
(c) NAV per unit (a)/(b) (₹)		10.0182	-
Significant accounting policies and notes to accounts	7		

* Scheme Launched by the NPS Trust on August 17th, 2020 hence previous year numbers are not available.

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

UN-AUDITED REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Particulars	Schedule	Scheme Tax Saver Tier II	
		September 30, 2020	September 30, 2019 *
Income			
Interest		-	-
Profit on sale/redemption of investments		40	-
Unrealised gain on appreciation in investments		214	-
Other income			
- Miscellaneous Income			-
Total Income (A)		254	-
Expenses & Losses			
Unrealised losses in value of investments		-	-
Management fees (including Goods and Service Tax)		1	-
NPS Trust fees		-	-
Custodian fees		-	-
CRA fees		-	-
Less : Amount recoverable on sale of units on account of CRA Charges		-	-
Depository and settlement charges		12	-
Other Expenses		-	-
Total Expenditure (B)		13	-
Surplus/(Deficit) for the year (A-B = C)		241	-
Less: Amount transferred to Unrealised appreciation account		(214)	-
Less: Amount transferred to General Reserve		(27)	-
Amount carried forward to Balance Sheet		-	-
Significant accounting policies and notes to accounts	7		

* Scheme Launched by the NPS Trust on August 17th, 2020 hence previous year numbers are not available.

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

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

Vibha Padalkar
(Director)

Parvez Mulla
(Director)

Sumit Shukla
(Chief Executive Officer)

Fagun Pancholi
(Chief Financial Officer)

Nagesh Pai
(Company Secretary)

Place : Mumbai

Date : October 15, 2020

NATIONAL PENSION SYSTEM TRUST

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

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

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Initial capital		
<u>Unit capital</u>		
Outstanding at the beginning of the year	-	-
Add :Units issued during the year	2,17,012	-
Less: Units redeemed during the year	(10,000)	-
Outstanding at the end of the year	2,07,012	-
(Face Value of Rs.10/- each unit, fully paid up)		
Outstanding units at the beginning of the year	-	-
Add :Units issued during the year	21,701	-
Less: Units redeemed during the year	(1,000)	-
Outstanding Units at the end of the year	20,701	-

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Unit premium reserve		
Opening balance	-	-
Add: Premium on Units issued	138	-
Less: Premium on Units redeemed	(1)	-
Closing balance	137	-
General Reserve		
Opening balance	-	-
Add: Transfer from Revenue Account	27	-
Closing balance	27	-
Unrealised Appreciation Reserve		
Opening balance	-	-
Add: Transfer from Revenue Account	214	-
Closing balance	214	-
Total	378	-

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Current liabilities		
Sundry creditors for expenses	1	-
Redemption Payable	-	-
TDS Payable	-	-
Total	1	-

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

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

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

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Others - Mutual Fund Units	2,02,242	-
Basel III Tier I bonds	-	-
Total	2,02,242	-

Schedule 5: Deposits**(In ₹)**

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Deposits with scheduled banks	-	-
Total	-	-

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

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Balances with banks in current account	5,149	-
Outstanding and accrued income	-	-
Total	5,149	-

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

Schedule 7

Significant accounting policies & notes to accounts for the half year ended September 30, 2020

1.1 Background

HDFC Pension Management Company Limited ('the Company') has been appointed as a Pension Fund Manager ('PFM') by the Pension Fund Regulatory and Development Authority ("PFRDA") for the management of Pension Schemes under the National Pension System ('NPS'). Accordingly, the Company has entered into an Investment Management Agreement ('IMA') with NPS Trust. The Pension Fund Regulatory and Development Authority ("PFRDA" / "Authority") guidelines require each PFM to manage subscribers' funds. As per unbundled architecture of the NPS, the main responsibility of PFM is to manage funds in accordance with the laid down guidelines and declare NAV. As per the architecture, the NSDL e-Governance Infrastructure Ltd and Karvy Computershare Pvt.Ltd being the Central Recordkeeping Agency (CRA) provides consolidated data to PFM for allotment / redemption of units and Axis Bank, being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption.

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- Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
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- PRAN Transaction Statement,
- An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trust Bank etc.

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

NPS trust has designated Stock Holding Corporation of India Ltd. (SHCIL) as the custodian, who is responsible for safe custody of securities and settlements of trades.

The fees payable to CRA, in terms of IMA, is charged to the investor by redeeming the equivalent number of units on receipt of intimation from CRA. As stated above, the amount of funds received from the subscribers is intimated by the Trustee Bank on consolidated basis on T+2 basis. PFM records the same on receipt basis. Accordingly, funds with Trustee Bank at the year end do not get reflected in the financial statements.

1.2 Basis of preparation

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards notified under the Companies Act, 1956 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines – 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis, except as otherwise stated.

The financials have been prepared for SCHEME TAX SAVER TIER II being managed by the Company.

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

Scheme E - Equity market instruments

Scheme C - Credit risk bearing fixed income instruments

Scheme G - Government securities

Scheme A – Alternate Investment funds

Scheme Tax Saver – Hybrid Investments

1.3 Investments

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

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes and stamp charges but exclude brokerage and other transactional charges.

Investments are reconciled with the custodian records on daily basis.

Valuation of Investments

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

The change in unrealised appreciation/depreciation in the value of investments is determined separately for each assets category at the year-end and is recognised in the Revenue Account. The change in net unrealised appreciation, if any, is transferred to /from "Unrealised Appreciation Reserve" shown as part of Reserves and Surplus.

As per directive received from NPS Trust, the valuation of investments is carried out by ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019 which until previous financial year was carried out SHCIL. The Investment valuation methodology adopted by IMACS is as follows:

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

Securities traded at a stock exchange:

Traded debt securities (other than government securities) are valued at weighted average traded price on that day reported on National Stock Exchange (NSE) /Bombay Stock Exchange (BSE). Preference is given to NSE trade over BSE trade.

Securities not traded at a stock exchange:

Non-traded debt securities (i.e. securities not reported on exchanges) are valued at a yield to maturity basis by using matrix of spread over risk free asset constructed by IMaCS. Matrix is classified into two categories TRAD & NPR. TRAD Matrix (Comprises of sectors like MFTG, BANK, HFC) & NPR Matrix (Comprises of sectors like NBFC, Real Estate). Matrix is constructed basis each rating category and for all tenor. Any security falling into respective matrix type (TRAD or NPR) are valued as per that matrix basis conservative rating of that security and modified duration.

Valuation of securities having call and/or Put options:

- a) Callable Bonds with single / daily / multiple call options will be valued at lowest value basis.
- b) Puttable Bonds with single / daily / multiple call options will be valued at highest value basis.
- c) The securities with both Call & Put options on the same day would be deemed to mature on the Call/Put day and will be valued accordingly.

d) For perpetual bonds with single / daily / multiple call options, the price for all options dates till the maturity date will be computed and the lowest price will be used for valuing the bonds.

e) For perpetual bank bond, the first Call date of the bond shall be considered as deemed date of maturity for the valuation purpose

Valuation of debt securities below Investment grade of BBB-

Valuation of performing non-government debt securities below Investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18,2000)

On Friday or on last working day before the market holiday, the valuation convention shall be T+1 for corporate bonds.

Valuation of Money Market Investment and Mutual Fund

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities.

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

1.4 Income Recognition

Profit or loss on sale of mutual fund units is the difference between the sale consideration net of expenses and the weighted average book cost.

1.5 Non-Performing Assets

An investment is regarded as non-performing, if interest/principal or both amount has not been received or has remained outstanding for 90 days from the day such income/installment has fallen due.

Where income receivable on investments has accrued but has not been received for a period of 90 days beyond the due date, provision is made by debiting to the Revenue Account for the income so accrued and no further accrual of income shall be made in respect of such investments.

Income on non-performing assets (NPA) is recognised on receipt and other incomes of miscellaneous nature are accounted for when there is certainty of collection.

Valuation of performing non-government debt securities below investment grade of BBB- at a discount of 25% to face value (as per SEBI guideline CIR MFD/CIR/8/92/2000 dated September 18, 2000).

1.6 Units reconciliation

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

1.7 Investment management fees

Investment management fees are recognised on daily accrual basis on closing Asset Under Management (AUM) in accordance with IMA. The Investment management fee is inclusive of brokerage but excludes custodian charges and applicable taxes, if any.

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

1.8 Trustee fees

The Company has started charging Trustee fee of 0.01% per annum, with effect from November 01, 2015 in terms of the National Pension Scheme Trust circular no. 1/20/2015/NPS dated October 19, 2015 and the fee has been revised to 0.005% per annum with effect from April 01, 2018.

The Company has stopped charging Trustee fee with effect from January 25, 2019, as directed by the Authority vide PFRDA circular no. PFRDA/17/03/31/0016/2018-SUP-PF/12 dated January 25, 2019.

Basis the direction from NPS Trust the Trustee Fees charge of 0.005% has been re-initiated with effect from 01st August 2019.

1.9 Other Expenses

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

2 Unit Premium Reserve

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the Unit Premium Reserve of the Scheme.

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

Notes to accounts (Un-audited)

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Uncalled liability on partly paid shares	NIL	NIL
Other commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transactions with sponsor and its related parties

Nature of relationship	Name of the related party
Pension fund manager	HDFC Pension Management Company Limited
Sponsor company	HDFC Life Insurance Company Limited
Associates and group companies	
Holding Company	HDFC Limited
Ms. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel
Mr. Sumit Shukla	Key Management Personnel
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the half year ended September 30, 2020

(In ₹)

Nature of Transaction	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Investment management fees	1	-

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Investment management fees payable	1	-

Aggregate investments made in the Associates and group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme Tax Saver Tier II			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC LTD		NIL	NIL	NIL	NIL

Investment with other Group Companies

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

Aggregate investments made in the other group companies as at September 30, 2020 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme Tax Saver Tier II			
		As at September 30, 2020		As at September 30, 2019	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

2.4 Provision

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

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

Aggregate value of purchase and sale with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	1,12,811	-
Purchase of Investment	2,41,990	-
% to average Net Assets Value	214.51%	-
Sale of Investment	39,999	-
% to average Net Assets Value	35.46%	-

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

Notes to accounts (Un-audited)

Aggregate value of purchase and sale (excluding liquid mutual fund)* with percentage to average assets as at September 30, 2020 is as follows :

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	September 30, 2020	September 30, 2019
Average Net Asset Value	1,12,811	-
Purchase of Investment	-	-
% to average Net Assets Value	-	-
Sale of Investment	-	-
% to average Net Assets Value	-	-

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

2.6 Investments falling under each major industry group

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

(In ₹)

Industry Classification	Scheme Tax Saver Tier II			
	September 30, 2020		September 30, 2019	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Mutual Funds	2,02,242	97.52%	-	-
Net Current Assets	5,148	2.48%	-	-
Net Asset Value	2,07,390	100.00%	-	-

Note :

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

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

(In ₹)

Security Name	Asset Type	Ageing	Scheme Tax Saver Tier II	
			September 30, 2020	September 30, 2019
			NIL	NIL

2.8 Prior Year Comparatives :

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

Scheme Launched by the NPS Trust on August 17th, 2020 hence previous year numbers are not available.

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

3. UN-AUDITED PORTFOLIO STATEMENT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020

(In ₹)

Name of the instrument	Market value	% of Portfolio	Rating (if any)
Money Market Instruments			
Liquid Mutual Funds			
1. Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan	2,02,242	97.52%	AAA
Money Market Instruments Total	2,02,242	97.52%	
Cash/Cash Equivalent & Net Current Assets	5,148	2.48%	
Grand Total	2,07,390	100.00%	
Average Maturity of Portfolio (in yrs)	N.A.		
Modified Duration (in yrs)	N.A.		
Yield to Maturity (%) (annualised) (at market price)	N.A.		
Credit Rating Exposure			
Central Government Securities	-	-	
State Development Loans	-	-	
AAA / equivalent	-	-	
A1+ / equivalent (Certificate of Deposits / Commercial Papers)	-	-	
AA+ / equivalent	-	0.00%	
AA / equivalent	-	0.00%	
AA- / equivalent	-	-	
A+ / equivalent	-	-	
A / equivalent	-	-	
A- / equivalent	-	-	
BBB+ / equivalent	-	-	
BBB / equivalent	-	-	
BBB- / equivalent	-	-	
Lower (Below Investment Grade)	-	-	
(out of above Net NPA)	-	-	
TOTAL	-	0.00%	
Bank FD	-	-	
Equity	-	-	
Equity Mutual Funds	-	-	
Gilt / Money Market Mutual Funds	2,02,242	97.52%	
Cash / cash equivalent net current assets	5,148	2.48%	
Application Pending Allotment - NCDs	-	-	
Others	-	-	
Grand Total	2,07,390	100.00%	
Units Outstanding	20,701		
NAV	10.0182		
Notes:			
a. Total NPAs provided for and its percentage to NAV		-	
b. Total value and percentage of illiquid equity shares		-	
c. NAV at March 31,2020		-	
d. NAV at September 30,2020		10.0182	
e. Total outstanding exposure in derivative instruments at September 30, 2020		-	
f. Total 'Infrastructure investments' September 30, 2020		-	

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

3.1 KEY STATISTICS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

Sr No	Particulars	Scheme Tax Saver Tier II	
		September 30, 2020	September 30, 2019*
1	NAV per unit (₹) I		
	Open	10.0000	N.A.
	High	10.0182	N.A.
	Low	9.9979	N.A.
	End	10.0182	N.A.
2	Closing Assets Under Management (₹ in Lakhs)		
	End	2.07	N.A.
	Average daily net assets (AAuM) II	1.13	N.A.
3	Gross income as % of AAuM III	0.23%	N.A.
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.01%	N.A.
b	Management fee as % of AAuM (scheme wise) V	0.01%	N.A.
5	Net income as % of AAuM VI	0.21%	N.A.
6	Portfolio turnover ratio VII	0.00%	N.A.
7	Total dividend per unit distributed during the period	N.A.	N.A.
8	Returns: (%)		
a	Last one year	N.A.	N.A.
	Benchmark VIII	N.A.	N.A.
b	Since inception	0.18%	N.A.
	Benchmark VIII	N.A.	N.A.
c	Compound annualised yield (%) IX		
	Last 1 year	N.A.	N.A.
	Last 2 year	N.A.	N.A.
	Last 3 year	N.A.	N.A.
	Since launch of the scheme	N.A.	N.A.
	Launch Date	August 17, 2020	
I	NAV = (Market value of investment held by scheme + value of current assets - value of current liability and provisions, if any) / (no. of units at the valuation date (before creation/ redemption of units))		
II	AAuM = Average daily net assets		
III	Gross income = Total Income as per Revenue Account		
IV	Total expenses = Expenses include management fees, custody fees, trustee bank charges but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised		
VI	Net income = Surplus / Deficit as per Revenue Account		
VII	Portfolio turnover = Lower of sales or purchase divided by the average AUM for the period. Investments in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management		
VIII	Scheme launched by the NPS Trust on 17th August,2020, hence previous year benchmark returns are not available.		
IX	Compounded annualised yield is to be calculated based on following formula: = (1+ cumulative return) ⁿ -1 (where n=365/no. of days)		
	* Scheme Launched by the NPS Trust on August 17th, 2020 hence previous year numbers are not available.		