



## HDFC PENSION MANAGEMENT COMPANY LIMITED

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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

ANNUAL REPORT 2021-22



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HDFC Pension Management Company Limited ('HDFC Pension') presents its Ninth Annual Report along with the audited financial statements of the Schemes for the year ended March 31, 2022.

During the year ending March 31, 2022, the Company managed the following schemes under the National Pension System (NPS):

- Scheme E Tier I - Equity market instruments
- Scheme E Tier II - Equity market instruments
- Scheme C Tier I - Credit risk bearing fixed income instruments
- Scheme C Tier II - Credit risk bearing fixed income instruments
- Scheme G Tier I - Government securities
- Scheme G Tier II - Government securities
- Scheme A Tier I - Alternative Investment funds
- Scheme Tax Saver Tier II - Hybrid Investment fund

(All the above schemes collectively referred as "Schemes" in this document)

The Asset under Management as at March 31, 2022 of all the schemes collectively was ₹ 28,41,386.23 Lakhs

## **1. BRIEF BACKGROUND OF THE TRUST, SPONSORS AND PENSION FUND MANAGEMENT COMPANY**

### **a) THE TRUST**

Pension Fund Regulatory and Development Authority ('PFRDA') was established by the Government of India on August 23, 2003 to promote old age income security by establishing, developing and regulating pension funds, to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.

The National Pension System Trust ('NPS Trust') was established by PFRDA on February 27, 2008 with the execution of the NPS Trust Deed. The NPS Trust has been set up and constituted for taking care of the assets and funds under the National Pension System (NPS) in the interest of the beneficiaries (subscribers). Individual NPS subscribers shall be the beneficiaries of the NPS Trust.

**b) SPONSOR**

HDFC Life Insurance Company Limited ("HDFC Life" / "Sponsor") is the Sponsor of the Company. HDFC Life is a joint venture between Housing Development Finance Corporation Limited (HDFC Ltd), India's leading housing finance institution and abrdrn plc (formerly Standard Life Aberdeen plc) a global investment company. HDFC Life was incorporated on August 14, 2000 as a Company registered under the erstwhile Companies Act, 1956 ('the Act') and licensed by the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying out Life Insurance business in India.

The Sponsor reaches its customers through 372 offices as at March 31, 2022. At March 31, 2022 the Sponsor has 22,059 employees and 115,442 advisors and is thus well equipped to cater to the needs of customers.

As at March 31, 2022, the Share capital of the Sponsor stands at ₹ 54 Crores.

**c) PENSION FUND MANAGEMENT COMPANY**

HDFC Pension Management Company Limited ('the Company'/HDFC Pension') is a wholly owned subsidiary of HDFC Life Insurance Company Limited ('HDFC Life'). The Company is a public limited company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The Company was incorporated on June 20, 2011 with Registration Number U66020MH2011PLC218824 with the purpose of managing pension fund business under the National Pension System, to which HDFC Life acts as the Sponsor. The Company was granted a Certificate of Registration bearing No. PFRDA/007/2013/PFM to undertake pension management under the National Pension System by the Pension Fund Regulatory and Development Authority ('PFRDA') on April 23, 2013.

**BASIS AND POLICY OF INVESTMENTS****Investment Policy**

The Investment Policy of the Company outlines the process and the principles for the management of all the invested assets under different fund categories. Invested assets are the investments made in market instruments using the Subscribers funds under various Schemes.

The Investment Committee of the Board of Directors and the Board of the Directors of the Company ("Board") reviews the investment policy and its implementation and makes necessary modifications from time to time to bring it in tune with the requirements of the law and



regulations – in regard to protection of subscribers' interest and pattern of investment laid down by PFRDA.

### **Investment Structure**

The broad Investment Structure of the Company is discussed below;

#### **a) Investment Committee**

The Board of Directors of the Company has constituted an Investment Committee to oversee the investments of the Company. The responsibility for the selection and management of the invested assets rests in the first instance with the Investment Committee. The Investment Committee may delegate this investment authority subject to putting in place consistent control and monitoring mechanisms. The Investment Policy is defined by the Investment Committee to set the contours of the investment activity, process, prudential risk limits and performance objectives.

#### **b) Investment Front Office :**

The investment front office is headed by the Chief Investment Officer (CIO) who is responsible for the following set of process among others:

- 1) Market research;
- 2) Investment Recommendations;
- 3) Approval of recommendation;
- 4) Deal execution & Order Placement;
- 5) Deal entry in Front Office System;
- 6) Placement of daily funds inflow;

#### **c) Investment Mid and Back Office :**

The Investment Mid and Back office is responsible for the following set of processes among others:

- 1) Fund Accounting
- 2) Trade Settlement
- 3) Investment Compliance
- 4) NAV Calculation & Declaration
- 5) Valuation of Securities
- 6) Regulatory Reporting & Internal MIS

An external Custodian, appointed by PFRDA (presently Stock Holding Corporation of India Limited), is responsible for the custody of the assets, tracking corporate actions and also undertakes valuation of securities.

### **Investment Strategy**

The investment philosophy of the Company is to meet a consistent long-term return objective while exposing the fund to the least possible risk. The overall investment strategy of the Company is focused on ensuring adequate returns on investments to subscribers consistent with protection, safety and liquidity of the funds alongside complying with the applicable investment guidelines as prescribed under Investment Management Agreement executed with the NPS Trust.

Investments in the Fixed Income instruments are made with the objective of optimising the returns by actively managing the risks associated with fixed income securities like Credit Risk, Interest Rate Risk & Liquidity Risk.

Investments in Equity are made in the selected stocks from the preapproved investment universe with the objective of achieving portfolio returns better than the returns generated by the benchmark index.

### **Brief details of investment in various Schemes are as under:**

**Scheme E:** The funds under Scheme E are managed actively with the stock universe prescribed by PFRDA & Investment Committee. Our strategy is to construct a model portfolio from the approved universe of stocks with the objective of beating the returns generated by the benchmark index.

**Scheme C:** The funds under Scheme C are invested in corporate debentures of rated corporate issuers. Investments in corporate debentures are made in high quality long term debentures following internal due diligence and credit rating from independent credit rating agencies.

**Scheme G:** The funds under Scheme G are invested in State Government and Central Government Securities as per the scheme objective. The scheme is managed actively based on the view on interest rates in the market.

**Scheme A:** The funds under Scheme A are invested in Alternate Investment Funds (AIF), Real Estate Investment Trust (REITs), Mortgage Backed Securities (MBS), Infrastructure Investment Trusts (InvITs) as per the scheme objective.

**Scheme Tax Saver Tier II:** This is a composite/hybrid scheme wherein allocation to Equity is done in 10-25% range and debt upto 90%. While asset allocation between debt and equity is



done on a dynamic basis respective asset class outlook, the security/stock selection within the chosen asset class is done as per the process followed for Scheme E, C & G.

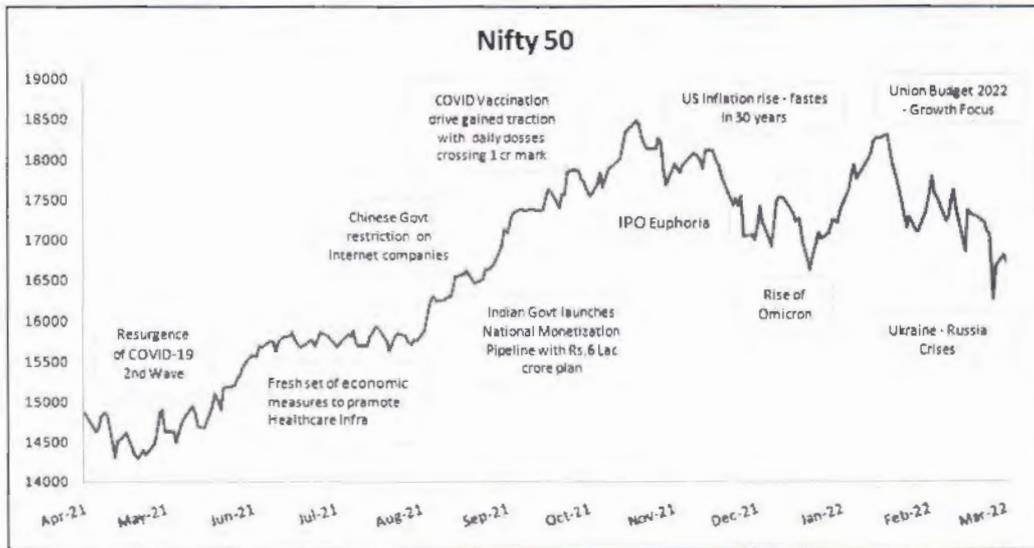
## **ECONOMIC SCENARIO**

In FY22, Indian Economy continued on its path of recovery after witnessing slowdown in FY21 caused by COVID-19. However the momentum of recovery was impacted by financial market volatility and geo-political uncertainty. While first and second wave of COVID-19 had stalled the economic activity, impact of third wave has been much weaker. However, timely announced policy reforms by government along with the liquidity measures implemented by RBI provided the required support for recovery. The union Budget announced in Feb'22 will further help in stimulating the economy. The budget has introduced wide-ranging reforms across sectors providing a push to infrastructure, digital economy, ease of doing business, education and healthcare among others. Increased government thrust in public infrastructure will crowd in private capex and help improve consumer confidence which has remained subdued in FY22. India's real GDP growth is estimated to grow at 9.2% for 2021-22 which will place the economy modestly above the pre-pandemic level. However, economic growth is impacted by new uncertainties arising out of disruptions in the global supply chain caused by the Russia-Ukraine conflict and surge in commodity prices further taking a toll on already subdued consumer sentiments and deferred private capital expenditure. Evolving macroeconomic environment remains highly uncertain as inflation remains at multi-decadal highs in a number of countries and divergent monetary policy intentions and actions implemented across countries. Federal Reserve has started raising interest rate to curb inflation and to restore price stability amid Russia-Ukraine war and new variant outbreaks in China. Global inflation and unsustainably high international commodity prices are likely to be influential in determining India's rate of inflation which has remained above the targeted limit of RBI for Jan'22 & Feb'22. The monetary policy stance by RBI is expected to be less accommodative give inflation dynamics and deteriorating BOP, in addition to global liquidity drawdown. Growth impulses are still nascent but overall remains in optimistic territory, well placing the Indian economy to overcome the challenges in medium term. Overall, as the environment remains uncertain, the coming times will be volatile and have to be closely monitored to optimise returns across asset classes.

### **Equity: Another year of good returns amidst high volatility**

In the first half of FY21, Indian equity markets continued the bullish momentum seen in FY21. Markets remained in consolidation phase until June'21 and rose during June-Oct'21 to reach all time high in mid Oct'21. The rise was driven by high liquidity, lower interest rates, corporate debt to GDP ratio at 12 year low, pick-up in the vaccination drive boosting investor sentiment and good monsoon expectations. During Nov-Dec'21, the market witnessed IPO euphoria, as valuations remained high, which sucked out the liquidity from the market and added to the market volatility. Growth oriented Union budget 2022-2023 announced in Feb'21 boosted investor sentiment with its increased focus on economic revival. Initiatives like improvement in

ease of doing business and schemes to promote start-up culture with financial assistance by government were primarily aimed to boost overall sentiments.

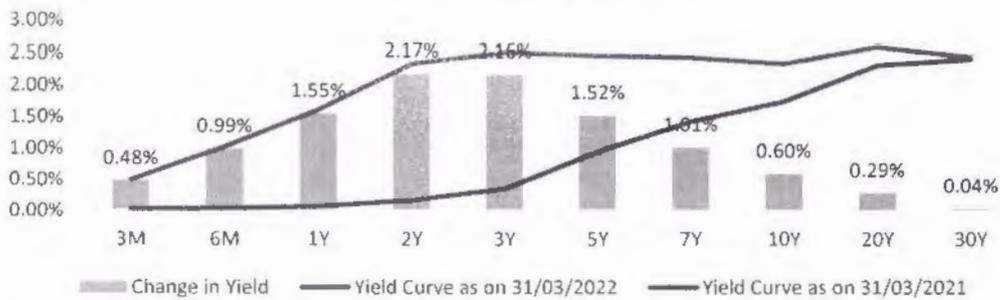


The market during last month of the year was largely impacted by rising global inflation on the back of Russia-Ukraine crisis and risking supply bottlenecks amidst recovering global demand. This has cooled off the markets with large cap indices now trading near long term valuations, while mid & small cap trading about ~10% below long term average. While the large cap indices rose by about ~17-18% during the year, the rise in the midcap and small cap indices was ~18% & ~36% respectively.

#### Debt: Moving back to Normal

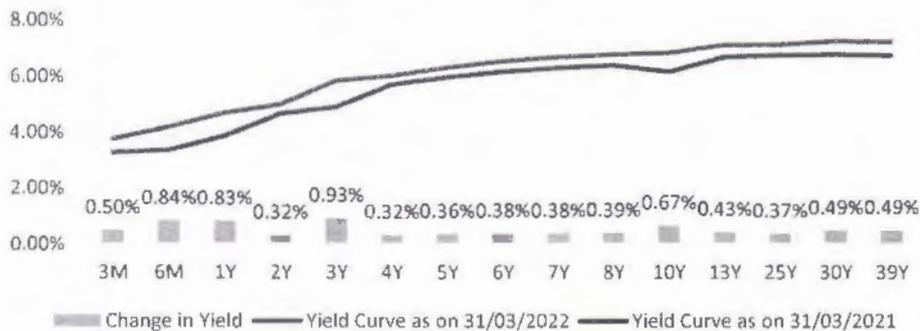
In FY22, despite continuing Covid-19 pandemic, economic activities started normalising across the globe as the vaccination coverage increased. Inflation picked up as supply chains issues continued to linger on the back of rising demand. While initially, the global central bankers and other policy makers believed that inflation was transitory, as the year progressed, the dovish monetary stance was revisited and revised. While Bank of England was the first to turn hawkish, Fed and later ECB followed suit. Fed is now on track to increase the policy rates throughout in 2022 and until early part of 2023. US yield curve has already shifted up considerably.

### US Treasury Curve



Yields in India also moved higher during the year. However, the pace of increase was lower than that seen in other countries as RBI maintained accommodative stance and took various policy actions like OMO purchases, auction cancellation etc to ensure an orderly and gradual transition of the yield curve.

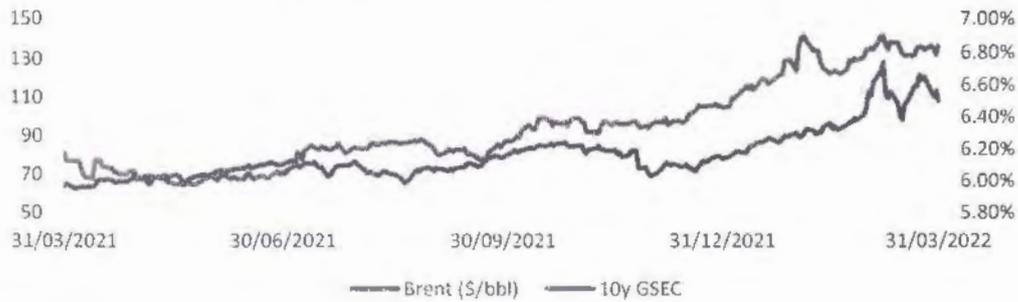
### India Sovereign Yield Curve



Given the economic uncertainties, RBI focused on growth relative to inflation as it too saw inflation pick-up as transitory driven by supply side constraints. Gsec 10y benchmark continued to move higher through the year, however pace was controlled by RBI OMO purchases. RBI did net OMO of Rs2.13 lakh crore and Gross OMO of Rs2.78 lakh crore in FY22 vs. Net OMO of Rs3.13 lakh crore and Gross OMO of close to Rs.5 lakh crore in FY21. RBI ended its OMO programme for FY22 in early Oct'21. Starting early Oct'21, lack of OMO support from RBI along with higher crude prices and global yield movement (US 10y moved from 1.46% in Oct'21 to 2.47% in Mar'22) drove Indian rates higher. 10y Benchmark moved from 6.22% on 30<sup>th</sup> Sept'21 to end at 6.84% on 31<sup>st</sup> Mar'22, an increase of over 62bps.



### 10Y Benchmark vs. Brent Crude



FY23 fiscal budget announced on 1<sup>st</sup> Feb'2021 indicated a slower path to fiscal consolidation. FY22 fiscal deficit was revised upwards to 6.9% from the earlier BE of 6.8% and FY23 fiscal deficit was pegged at 6.4%. Gross borrowing announced for the year remained at Rs.14.95 lakh crore and was higher than street expectations.

#### **Outlook:**

##### **Equity**

We expect return from equity markets to remain range bound in FY23. In India, new cases of Covid-19 have sharply fallen from Feb'22 and active cases also continue to trend low. The fall in cases and low hospitalisation rate has resulted in relaxation of restrictions in many states. The economic activity indicators have witnessed gradual improvement as the restrictions are eased. Both industrial and services indicators indicate recovery with higher PMIs, healthy GST collections and pick up in PV and power demand. The ongoing Ukraine-Russia crisis is affecting the global sentiments but for India implications of rising global interest rates and inflation are more dominant factors driving the investor's mood. Inflation has remained persistently high across the world including India. Oil now trades at US\$110/barrel which is ~30% above government budgeted levels putting pressure on finances affecting the ability to finance large infrastructure projects as outlined in the Union budget. The magnitude of FPI selling indicates shift from high risk emerging market assets to traditional safe assets in developed markets. During recent selling from FPIs, quality/growth stocks also bear the brunt of the steep price corrections. As fundamentals of these companies remain largely unchanged, the resulting price drops offer attractive entry points for investors looking to build/add on to long term holdings at materially discounted prices. Large caps are currently trading near long term P/E & P/B valuations, while mid and small caps trade ~10% below long term averages. The market is trading at 17.1x FY24E making equity segments attractive from a long term entry perspective. We remain optimistic on the economy and equity markets over the medium to long term on the back of reopening and normalisation of global economy, robust domestic growth outlook, likely improvement in corporate profitability and growth oriented Union budget 2022-2023. Significant monetary tightening and rise in cost of capital, sharp increase in US yields,



persistence of high inflation, sustained impact of Russia-Ukraine war on growth and commodity prices, rise in geopolitical risks, etc. are likely to be the key near-term headwinds for equity markets. Any extended weakness in equity markets over the next few months on account of global/macro factors could be opportunity for subscribers to increase their allocation to equities, as in long term, equity tends to outperform other assets classes.

### Debt

Global economic environment is likely to remain challenging in coming years as the questions arise about as to whether the world is taking a step back from globalisation. While the probability of de-globalisation happening is low, the discussions around the same are enough to keep the volatility high. For FY23, the budgeted fiscal deficit of 6.4% implies more than usual supply of government paper for second year running. Given the increased size of gross borrowing, the yields are expected to remain under pressure with an upward bias. Given the tax implications and challenges around clearing mechanism, the expectation for inclusion off Indian bond in global indices has now reduced. Any positive progress on the same is likely to cushion the impact of higher borrowings on yields. Also, Government's budgeted revenue expectations for FY23 are conservative which gives a comfort that government's borrowings might be same or marginally lower than budgeted. Government has also indicated that it is unlikely to borrow anything via extra budgetary resource mechanism and that NHAI will also be funded via budget mechanism, thus there would be no off balance sheet borrowing too. However if the supply chain issues continue and fertiliser prices continue to move higher, we could have higher spending via subsidy. With that context, Indian debt market could face yet another volatile year for bond yields. We expect reduced support from RBI, given the deteriorating BOP balances and persistent inflationary pressures. Fed is also expected to raise rates at the fastest pace since 2006. Other DM central bankers are also expected to continue to raise rates. We expect RBI to change stance to Neutral and raise reverse repo rates by June MPC meeting. We expect RBI to raise repo rates by 50bps to 75bps during the year with first hike coming in June or August MPC. Sovereign yield curve is likely to remain steep for first half of the year and can flatten marginally during second half of FY23. As the economic growth picks up, credit off take is also likely to pick up. We expect corporate bond spreads to widen from current levels. We expect 7y+ AAA PSU bonds to underperform the market. We expect 2y to 5y AA+ bonds to outperform the market given both rolldown and accrual gains. Key risk remains higher crude prices, evolving macro environment and eventual government borrowing for the year.



**SCHEME PERFORMANCE AND OPERATIONS****SCHEME E TIER I - Equity market instruments****Investment Objective**

The Investment objective is to optimise returns and deliver returns better than benchmark while investing in the prescribed universe of stocks over a rolling annual basis.

**Scheme Performance against Benchmark**

The performance of the scheme is measured by reference to the performance of the BSE 100 TRI Index.

The performance of Scheme E Tier I at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) <sup>#</sup>
1 Year	19.14%	20.66%
3 Years	15.67%	15.91%
5 Years	14.35%	14.75%
Since inception @	15.30%	15.03%

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

<sup>#</sup> Benchmark index: Total Return Index (TRI) for S&P BSE 100 has been used from April 01, 2019 as shared by the Crisil Ltd

<sup>#</sup> 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 BSE 100 TRI w.e.f 01st April 2019.

@ Date of Inception: August 01, 2013

**AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 12,42,745.84 lakhs

At March 31, 2022, 94.61% of the net assets were invested in Equity Shares and 5.39% in money market instruments and cash/cash equivalent & net current assets.



## SCHEME E TIER II - Equity market instruments

### **Investment Objective**

The Investment objective is to optimise returns and deliver returns better than benchmark while investing in the prescribed universe of stocks over a rolling annual basis.

### **Scheme Performance against Benchmark**

The performance of the scheme is measured by reference to the total performance of the BSE 100 TRI Index.

The performance of Scheme E Tier II at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) # \$
1 Year	19.03%	20.66%
3 Years	15.58%	15.91%
5 Years	14.33%	14.75%
Since inception @	13.35%	15.03%

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

# Benchmark index: Total Return Index (TRI) for S&P BSE 100 has been used from April 01, 2019 as shared by the Crisil Ltd

# 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 BSE 100 TRI w.e.f 01st April 2019.

@ Date of Inception: August 01, 2013

\$ 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 then 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.

### **AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 61,452.72 lakhs.

At March 31, 2022, 96.72% of the net assets were invested in Equity Shares and 3.28% in money market instruments and cash/cash equivalent & net current assets.



**SCHEME C TIER I - Credit risk bearing fixed income instruments**

**Investment Objective**

The investment objective is to optimise returns by investing in the securities of the prescribed asset class.

**Scheme Performance against Benchmark**

The performance of Scheme C Tier I at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) #
1 Year	6.65%	6.44%
3 Years	9.61%	10.20%
5 Years	8.66%	8.65%
Since inception @	10.02%	9.94%

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

# Benchmark index: NPS - Corporate Bond Index

@ Date of Inception: August 01, 2013

**AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 5,56,825.25 lakhs.

At March 31, 2022, 89.95% of the net assets were invested in bonds and non-convertible debentures and 10.05% in money market instruments and cash/cash equivalent & net current assets.

**SCHEME C TIER II - Credit risk bearing fixed income instruments**

**Investment Objective**

The investment objective is to optimise returns by investing in the securities of the prescribed asset class..

**Scheme Performance against Benchmark**

The performance of Scheme C Tier II at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) # \$
1 Year	6.37%	6.44%
3 Years	9.39%	10.20%
5 Years	8.54%	8.65%
Since inception @	9.19%	9.94%

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

# Benchmark index: NPS - Corporate Bond Index

@ Date of Inception: August 01, 2013

\$ 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.

### **AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 30,311.29 lakhs.

At March 31, 2022, 92.61% of the net assets were invested in bonds and non-convertible debentures and 7.39% in money market instruments and cash/cash equivalent & net current assets.

### **SCHEME G TIER I - Government securities**

#### **Investment Objective**

The investment objective is to optimise returns by investing in the securities of the prescribed asset class.

#### **Scheme Performance against Benchmark**

The performance of Scheme G Tier I at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) #
1 Year	3.64%	3.09%
3 Years	8.95%	8.12%
5 Years	8.14%	7.18%
Since inception @	9.49%	8.74%

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

# Benchmark index: NPS – Government Securities Index

@ Date of Inception: August 01, 2013



**AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 8,98,321.78 lakhs.

At March 31, 2022, 91.31% of the net assets were invested in government securities and 8.69% in money market instruments and cash/cash equivalent & net current assets.

**SCHEME G TIER II - Government securities****Investment Objective**

The investment objective is to optimise returns by investing in the securities of the prescribed asset class.

**Scheme Performance against Benchmark**

The performance of Scheme G Tier II at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) #
1 Year	3.83%	3.09%
3 Years	8.62%	8.12%
5 Years	7.98%	7.18%
Since inception @	9.67%	8.74%

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

# Benchmark index: NPS – Government Securities Index

@ Date of Inception: August 01, 2013

**AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 42,830.05 lakhs.

At March 31, 2022, 93.27% of the net assets were invested in government securities and 6.73% in money market instruments and cash/cash equivalent & net current assets.

**SCHEME A TIER I - Alternative Asset Class****Investment Objective**

The investment objective is to optimise returns by investing in the securities of the prescribed asset class.

**Scheme Performance against Benchmark**

The performance of Scheme A Tier I at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%) #
1 Year	11.87%	N.A.
3 Years	9.31%	N.A.
5 Years	9.18%	N.A.
Since inception @	8.91%	N.A.

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR).

# Benchmark index: 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. and for that there is no comparable market benchmark is available and hence benchmark returns are not disclosed for this fund.

@ Date of Inception: October 10, 2016

#### AUM and Asset Mix

The net assets of the Scheme at March 31, 2022 stood at ₹ 8,691.04 lakhs.

At March 31, 2022, 60.74% of the assets were invested in Asset Backed, Trust Structured and Miscellaneous Investments, 19.40% in units issued by Real Estate Investment Trust, 9.61% in units issued by Infrastructure Investment Trust and 10.25% in money market instruments and cash/cash equivalent & net current assets.

#### SCHEME TAX SAVER TIER II – Hybrid Investment Fund

##### Investment Objective

The investment objective is to optimise returns through 1) asset allocation among the prescribed asset classes 2) stock/security selection..

##### Scheme Performance against Benchmark

The performance of Scheme Tax Saver Tier II at March 31, 2022 is presented below:

Period	Returns (%) <sup>^</sup>	Benchmark Returns (%)
1 Year	6.09%	N.A.
3 Years	N.A.	N.A.
5 Years	N.A.	N.A.
Since inception @	3.92%	N.A.

<sup>^</sup> Past performance may or may not be sustained in the future. Returns are compounded annualised (CAGR). As per the directions issued by the PFRDA on introduction of new asset class, Scheme Tax Saver Tier-2 was launched and first NAV of the scheme was declared on August 17, 2020. Hence Scheme and Benchmark returns for 3 and 5 years are not available.

@ Date of Inception: August 17, 2020



**AUM and Asset Mix**

The net assets of the Scheme at March 31, 2022 stood at ₹ 208.26 lakhs.

At March 31, 2022, 17.21% of the assets were invested in Equity shares, 47.68% of the assets were invested in Debt securities and 35.11% in money market instruments and cash/cash equivalent & net current assets.

**Disclaimer:**

Since the Schemes permit investments in shares, bonds, debentures and other scripts or securities whose value can fluctuate, the price and redemption value of the units of the Schemes and income from them can go up as well as come down with the fluctuations in the market value of these underlying investments.

Further, the views expressed under Economic Scenario are considering the current environment.

**2. INVESTMENT OBJECTIVE OF THE SCHEME**

The investment objective of the Scheme(s) managed by HDFC Pension Management Company Limited during the year under review is as under :

Sr. No	Name of The Scheme	Investment Objective
1	SCHEME E TIER I	The investment objective is to optimise returns and deliver returns better than benchmark while investing in the prescribed universe of stocks over a rolling annual basis.
2	SCHEME E TIER II	The investment objective is to optimise returns and deliver returns better than benchmark while investing in the prescribed universe of stocks over a rolling annual basis.
3	SCHEME C TIER I	The investment objective is to optimise returns by investing in the securities of the prescribed asset class.
4	SCHEME C TIER II	The investment objective is to optimise returns by investing in the securities of the prescribed asset class.
5	SCHEME G TIER I	The investment objective is to optimise returns by investing in the securities of the prescribed asset class.
6	SCHEME G TIER II	The investment objective is to optimise returns by investing in the securities of the prescribed asset class.
7	SCHEME A TIER I	The investment objective is to optimise returns by investing in the securities of the prescribed asset class.
8	SCHEME TAX SAVER TIER II	The investment objective is to optimise returns through 1) asset allocation among the prescribed asset classes 2) stock/security selection.

### 3. LIABILITIES AND RESPONSIBILITIES OF THE COMPANY

The Company has been appointed by PFRDA as a pension fund manager for management of investments of the Schemes referred above and, in that capacity, makes investment decisions and manages the Scheme in accordance with the Investment Guidelines, Scheme Objectives, Investment Management Agreement ( IMA ) and provisions given under the PFRDA guidelines /regulation /rules. The transactions entered into by the Company are in accordance with the PFRDA Guidelines, IMA and the code of ethics prescribed by the Trustees.

The Company has exercised necessary due diligence and vigilance in carrying out its duties under IMA and in protecting the rights and interests of the subscribers. Investment decisions have been taken with emphasis on safety and optimum returns. The Company has not dealt in any speculative transactions in dealing for investments. The Company will be responsible for the acts of omissions or commissions of its employees or the persons whose services have been procured by the Company.

### 4. 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
- f) SCHEME G TIER II - Government securities
- g) SCHEME A TIER I - Alternate Investment funds
- h) SCHEME TAX SAVER TIER II - Hybrid Investment fund



# M. P. Chitale & Co.

Chartered Accountants

111, Prahadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prahadevi, Mumbai - 25 • Tel. 43474301-03 • Fax 43474304

## Internal Auditor's Certificate on Proxy Voting Report

To,

**The Board of Directors**

**HDFC Pension Management Company Limited**

14<sup>th</sup> Floor, Lodha Excelus,

Apollo Mills Compound,

N.M. Joshi Marg,

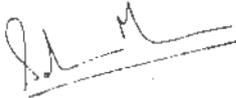
Mahalaxmi, Mumbai – 400 011

Dear Sir,

1. We have been requested by **HDFC Pension Management Company Limited ('Company')** to provide certification as required under Para 2 of Circular No PFRDA/2015/15/NPST/1 dated August 17, 2015 on voting policy on assets held by NPS Trust.
2. The company's management is responsible to ensure that the voting rights are exercised in accordance with the procedure prescribed in the aforesaid circular. The company's management is also responsible to ensure that the periodic reports as specified in the aforesaid circular are duly placed before its Board of Directors and submitted to NPS Trust. Our responsibility is to certify whether the company has complied with the procedure for exercising the voting rights and submission of periodic reports as prescribed in the aforesaid circular.
3. In this regard, we have examined the books and records of the company. Based on our review, please find enclosed the required certificate.

For M. P. Chitale & Co

Chartered Accountants



Santosh More

Partner



# M. P. Chitale & Co.

Chartered Accountants

111, Prabhadevi Ind. Estate, 1st Flr., Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 25 • Tel.: 43474301-03 • Fax: 43474304

To

**The Board of Directors**

**HDFC Pension Management Company Limited**

14<sup>th</sup> Floor, Lodha Excelus,

Apollo Mills Compound,

N.M. Joshi Marg,

Mahalaxmi, Mumbai – 400 011

We have reviewed the report on proxy voting for the quarter ending June 2021, September 2021, December 2021 and the proxy voting disclosure uploaded on the company's website along with following parameters:

- Proxy voting details uploaded on the NPS portal by proxy voting committee,
- Approvals of the CIO & CEO of the company,
- Review of minutes of the Board meeting.

We have also reviewed the draft report for the quarter ending March 31, 2022 on proxy voting with the along with the proxy voting details uploaded on the NPS portal by proxy voting committee.

We hereby certify that the company has complied with the procedure for exercise of voting rights and submission of periodic reports effective quarter ended June 2021, September 2021, December 2021 and March 2022 as required under the circular, to the NPS trust for the financial year 2021-22.

This certificate has been issued as per the requirement under Para 2 of the circular No PFRDA/2015/15/NPST/1 dated August 17,2015. Our review is to the extent of documents/information submitted by the company in this regard.

**For M. P. Chitale & Co**

**Chartered Accountants**

**Firm Reg. No.101851W**



**Santosh More**

**Partner**

**M.No.114236**

**Mumbai, April 14, 2022**

**UDIN: 22114236AHJKU7404**



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

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

***Contents***

Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme E- Tier I (“the Scheme”)**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (“Act”) (“SAs”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



### Other Matters

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

### Management's Responsibility for the Financial Statements

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.



- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

*Awaghe*  
(ALPESH WAGHELA)  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*  
UDIN: *22142058 ALSVWK9852*

NATIONAL PENSION SYSTEM TRUST

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

BALANCE SHEET AS AT MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme E Tier I	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	36,17,91,98,986	24,50,90,10,931
Reserves & Surplus	2	88,09,53,85,164	46,15,18,29,981
Current Liabilities and Provisions	3	54,54,78,001	25,91,88,423
<b>Total</b>		<b>1,24,82,00,62,151</b>	<b>70,92,00,29,335</b>
<b>Assets</b>			
Investments	4	1,23,15,36,87,988	70,81,58,82,603
Deposits	5	1,17,77,69,000	-
Other Current Assets	6	48,86,05,163	10,41,46,732
<b>Total</b>		<b>1,24,82,00,62,151</b>	<b>70,92,00,29,335</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		1,24,27,45,84,150	70,66,08,40,912
(b) Number of units outstanding		3,61,79,19,899	2,45,09,01,093
(c) NAV per unit (a)/(b) (₹)		34.3497	28.8305
<b>Significant accounting policies and notes to accounts</b>	7		

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

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

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**

Date :

**24<sup>th</sup> JUNE 2022**

**Shri Dinesh Kumar Mehrotra**



Sh.Sashi Krishnan  
(Chief Executive Officer)



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme E Tier I	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Dividend		1,06,41,13,643	57,39,58,259
Interest		1,31,646	-
Profit on sale/redemption of investments		79,65,64,816	34,57,22,465
Unrealised gain on appreciation in investments		13,11,59,26,283	22,50,90,21,893
Other income			
- Miscellaneous Income		-	7,171
<b>Total Income (A)</b>		<b>14,97,67,36,790</b>	<b>23,42,67,09,798</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		-	24,47,855
Loss on sale/redemption of investments		24,87,79,102	12,12,22,109
Management fees (including Goods and Service Tax)		6,32,95,205	56,78,610
NPS Trust fees		47,89,821	24,08,191
Custodian fees		25,42,273	15,54,459
CRA fees		5,36,15,413	3,84,34,261
Less - Amount recoverable on sale of units on account of CRA Charges		(5,36,15,413)	(3,84,34,261)
Depository and settlement charges		4,09,502	2,44,357
Stamp Duty on Bond/Mutual Fund		-	12,45,251
<b>Total Expenditure (B)</b>		<b>33,97,75,903</b>	<b>13,47,98,632</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>14,63,69,60,887</b>	<b>23,29,39,10,966</b>
Less: Amount transferred to Unrealised appreciation account		(13,11,59,26,283)	(16,38,65,23,175)
Less: Amount transferred to General Reserve		(1,52,10,34,604)	(6,90,73,87,791)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
Significant accounting policies and notes to accounts	7		

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co. (FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No. 142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai  
Date :

Place : Mumbai  
Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**

Date :

24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra

Shri. Sashi Krishnan  
(Chief Executive Officer)



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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<u>Unit capital</u>		
Outstanding at the beginning of the year	24,50,90,10,931	16,09,97,73,141
Add: Units issued during the year	14,87,88,89,208	10,00,85,08,195
Less: Units redeemed during the year	(3,20,87,01,153)	(1,59,92,70,405)
<b>Outstanding at the end of the year</b>	<b>36,17,91,98,986</b>	<b>24,50,90,10,931</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	2,45,09,01,093	1,60,99,77,314
Add: Units issued during the year	1,48,78,88,921	1,00,06,50,820
Less: Units redeemed during the year	(32,08,70,115)	(15,99,27,041)
<b>Outstanding Units at the end of the year</b>	<b>3,61,79,19,899</b>	<b>2,46,09,01,093</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	28,03,64,91,282	16,41,87,69,200
Add: Premium on Units issued	34,61,79,12,866	14,03,96,39,107
Less: Premium on Units redeemed	(7,31,13,18,570)	(2,42,19,17,025)
Add: Transfer from General Reserve	-	-
Closing balance	<b>65,34,30,85,578</b>	<b>28,03,64,91,282</b>
<b>General Reserve</b>		
Opening balance	1,72,55,64,608	(5,18,18,23,183)
Add/(Less): Transfer from Revenue Account	1,52,10,34,604	6,90,73,87,791
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>3,24,66,99,212</b>	<b>1,72,66,64,608</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	18,38,97,74,091	32,50,916
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	13,11,59,26,283	16,38,65,23,175
Closing balance	<b>29,50,57,00,374</b>	<b>18,38,97,74,091</b>
<b>Total</b>	<b>88,09,53,85,164</b>	<b>48,16,18,29,981</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	91,30,838	27,58,207
Redemption Payable	6,30,89,277	14,22,64,864
TDS Payable	7,28,491	56,587
Contract for Purchase of Investments	47,25,29,397	11,41,08,765
<b>Total</b>	<b>64,64,78,001</b>	<b>25,91,88,423</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Equity shares	1,17,58,05,28,930	69,21,67,54,917
Others - Mutual Fund Units	5,57,31,59,058	1,59,91,27,686
<b>Total</b>	<b>1,23,15,36,87,988</b>	<b>70,81,58,82,603</b>

Schedule 5: Deposits

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	1,17,77,69,000	-
<b>Total</b>	<b>1,17,77,69,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Balances with banks in current account	25,943	59,98,687
Contracts for sale of investments	-	7,89,28,445
Outstanding and accrued Income	98,416	-
Dividend Receivable	1,59,51,385	1,07,08,350
Brokerage receivable from PFM	-	31,679
Sundry debtors	47,25,29,419	84,79,571
<b>Total</b>	<b>48,86,05,163</b>	<b>10,41,48,732</b>



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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 investments is carried out by ICRA Management Consulting Services Limited (IMACS) w.e.f effective April 01, 2019. 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01, 2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Uncalled liability on partly paid shares	12,07,36,125	12,53,76,323
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 (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Snram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(In ₹)

Nature of Transaction	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Investment management fees	8,32,55,205	56,78,610

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Investment management fees payable	82,79,832	18,53,369

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier I			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	Equity	4,76,82,92,344	4,46,33,54,880	99,44,79,969	1,05,40,73,295

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 March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier I			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd	Equity	7,87,72,56,634	8,36,88,41,087	1,55,45,19,111	2,25,75,02,610

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 March 31, 2022 is as follows:

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	95,79,61,87,860	48,12,38,00,835
Purchase of Investment	97,38,19,81,453	55,12,76,74,444
% to average Net Assets Value	101.66%	114.55%
Sale of Investment	57,48,83,60,390	34,46,10,09,668
% to average Net Assets Value	60.01%	71.81%



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

Notes to accounts

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows:

(In ₹)

Particulars	Scheme E Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	95,79,61,87,860	48,12,38,00,835
Purchase of Investment	40,18,88,39,453	22,59,98,64,067
% to average Net Assets Value	41.95%	46.96%
Sale of Investment	4,20,38,84,999	2,29,10,53,676
% to average Net Assets Value	4.39%	4.76%

\*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			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	28,94,60,92,002	23.29%	17,21,22,28,953	24.36%
Writing, Modifying, Testing of Computer Program to Meet the Needs of a Particular Client excluding Web-Page Designing	13,05,51,74,190	10.51%	6,74,93,75,120	9.55%
Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)	10,72,98,87,638	8.63%	5,87,85,98,880	8.32%
Computer consultancy and computer facilities management activities	6,37,89,96,598	5.13%	4,10,88,86,120	5.81%
Others	58,47,03,78,503	47.05%	35,26,76,65,844	49.91%
Mutual Funds	5,57,31,59,058	4.48%	1,59,91,27,686	2.26%
Fixed Deposits	1,17,77,69,000	0.95%	-	-
Net Current Assets	-5,68,72,838	-0.05%	-15,50,41,691	-0.22%
<b>Net Asset Value</b>	<b>1,24,27,45,84,150</b>	<b>100.00%</b>	<b>70,66,06,40,912</b>	<b>100.00%</b>

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	Aging	Scheme E Tier I	
			March 31, 2022	March 31, 2021
			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. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
Equity Shares	Reliance Industries Ltd.	40,72,450	10,72,96,87,638	8.63%
	Infosys Ltd	53,93,450	10,28,45,00,133	8.28%
	ICICI Bank Ltd	1,17,54,100	8,58,40,19,230	6.91%
	HDFC Bank Ltd	58,91,734	8,36,88,41,087	6.73%
	Tata Consultancy Services Ltd	13,00,800	4,86,49,26,980	3.91%
	Housing Development Finance Corporation Ltd	18,67,200	4,46,33,54,880	3.59%
	Larsen & Toubro Ltd	21,89,850	3,87,08,88,353	3.11%
	Axis Bank Ltd	50,22,750	3,82,30,66,163	3.08%
	Bharati Airtel Ltd.	50,59,450	3,81,96,31,778	3.07%
	State Bank of India	74,74,300	3,68,89,40,765	2.97%
	Kotak Mahindra Bank Ltd	19,45,550	3,41,22,02,868	2.75%
	Hindustan Unilever Ltd	13,45,200	2,75,58,43,980	2.22%
	Bajaj Finance Ltd.	3,74,300	2,71,73,99,285	2.19%
	ITC Ltd	1,06,98,850	2,68,16,66,753	2.16%
	UltraTech Cement Ltd	3,03,800	2,00,57,78,740	1.61%
	Maruti Suzuki India Ltd	2,37,150	1,79,31,62,295	1.44%
	HCL Technologies Ltd	15,26,650	1,77,66,38,938	1.43%
	Tata Steel Ltd	13,44,700	1,75,77,91,840	1.41%
	Hindalco Industries Ltd	30,08,050	1,71,30,84,475	1.38%
	Tech Mahindra Ltd.	10,09,750	1,51,40,69,638	1.22%
	Mahindra & Mahindra Ltd	17,07,800	1,37,74,26,090	1.11%
	Divis Laboratories Ltd	3,04,550	1,34,06,44,328	1.08%
	Asian Paints (India) Ltd	4,27,700	1,31,72,94,615	1.06%
	Dr Reddys Laboratories Ltd	2,64,650	1,13,67,90,843	0.91%
	Pidilite Industries Limited	4,54,750	1,11,60,92,925	0.90%
	SBI Life Insurance Company Limited	9,54,200	1,07,00,87,590	0.86%
	IndusInd Bank Ltd	11,42,850	1,06,90,21,890	0.86%
	Bajaj Finserv Ltd	61,250	1,04,49,52,563	0.84%
	Titan Company Limited	3,82,900	97,10,91,835	0.78%
	Cipla Ltd	9,20,850	93,74,71,343	0.75%
	Nestle India Limited	53,450	92,89,90,398	0.75%
	ICICI Prudential Life Insurance Company Limited	15,03,250	75,29,77,925	0.61%
	Power Grid Corporation of India Ltd	32,22,450	69,86,27,160	0.56%
	Britannia Industries Ltd	2,16,950	69,56,28,480	0.56%
	Shree Cement Ltd	27,750	66,69,04,650	0.54%
	Bharat Petroleum Corporation Ltd	18,36,773	66,00,44,378	0.53%
	Siemens Ltd	2,76,750	65,53,99,350	0.53%
	Sun Pharmaceuticals Industries Ltd	7,10,200	64,96,55,450	0.52%
	National Thermal Power Corporation Ltd	47,56,950	64,21,88,250	0.52%
	Hindustan Petroleum Corporation Ltd	23,82,500	64,17,26,375	0.52%
	Mphasis Limited	1,87,050	63,16,39,793	0.51%
	Gland Pharma Limited	1,87,050	61,21,49,183	0.49%
	Petronet LNG Ltd	29,44,700	57,05,35,625	0.46%
	MindTree Limited	1,29,050	55,52,89,245	0.45%
	Ambuja Cements Ltd	18,53,350	55,46,14,988	0.45%
	Astral Limited	2,68,650	54,34,65,518	0.44%
	Adani Ports And Special Economic Zone Ltd	6,54,100	50,64,04,220	0.41%
	Lupin Ltd	6,70,722	50,10,62,870	0.40%
	United Spirits Ltd	5,96,750	49,45,88,863	0.40%
	Oil & Natural Gas Corporation Ltd	29,54,050	48,41,68,795	0.39%
	Tata Motors Ltd	11,10,500	48,16,79,375	0.39%
	Godrej Consumer Products Ltd	6,34,900	47,44,60,770	0.38%
	Havells India Ltd	3,86,650	44,56,33,458	0.36%
	Wipro Ltd	7,41,250	43,87,45,875	0.35%
	ICICI Lombard General Insurance Company Limited	3,26,600	43,24,94,480	0.35%
	Bharat Electronics Ltd.	19,31,180	40,70,92,744	0.33%
	Cholamandalam Investment & Finance Company Ltd	5,60,300	40,26,47,535	0.32%
	Hero Motocorp Ltd	1,75,050	40,15,90,958	0.32%
	Dabur India Ltd	7,28,850	39,08,09,370	0.31%
	Indraprastha Gas Ltd	9,40,000	35,07,61,000	0.28%
Gas Authority of India Ltd	22,90,750	35,03,29,238	0.28%	
Voltas Ltd	2,72,700	33,96,20,580	0.27%	
SBI Cards and Payment Services Ltd	3,84,000	32,70,52,800	0.26%	
Bosch Ltd.	22,550	32,55,88,175	0.26%	
Crompton Greaves Consumer Electricals Limited	7,89,000	29,50,86,000	0.24%	
Ashok Leyland Ltd	24,48,850	28,71,27,663	0.23%	
Eicher Motors Ltd	1,11,550	27,40,95,083	0.22%	
Cummins India Ltd	2,41,000	27,02,33,300	0.22%	
Indian Oil Corporation Ltd	22,26,100	26,47,94,595	0.21%	
TVS Motor Company Ltd.	4,02,300	25,16,98,985	0.20%	
Bajaj Auto Ltd	58,450	21,35,17,850	0.17%	
Alkem Laboratories Ltd	66,550	20,47,50,585	0.16%	
MRF Ltd	2,900	18,85,64,090	0.15%	
Coal India Ltd	8,83,400	16,17,06,370	0.13%	
Colgate Palmolive (India) Ltd	1,03,350	15,93,91,538	0.13%	



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
	Zydus Lifesciences Ltd	4,23,900	14,77,29,150	0.12%
	Grasim Industries Ltd	75,250	12,52,16,000	0.10%
	Shriram Transport Finance Co. Ltd	1,09,850	12,46,63,273	0.10%
	Indus Towers Ltd	5,46,600	12,13,72,530	0.10%
	Bharati Airtel Ltd. - Partly Paid up Equity Shares	3,00,900	11,91,41,355	0.10%
	Dr. Lal Path Labs Ltd	43,650	11,39,57,055	0.09%
	The Ramco Cements Limited	1,43,450	11,01,76,773	0.09%
	Zee Entertainment Enterprises Ltd	1,83,200	5,28,25,720	0.04%
	Gujarat Gas Limited	78,950	3,97,31,588	0.03%
	PB Fintech Limited	48,555	3,37,11,737	0.03%
<b>Equity Shares Total</b>		<b>12,33,76,114</b>	<b>1,17,58,05,28,930</b>	<b>94.61%</b>
Mutual Fund Units	ICICI Prudential Liquid - Direct Plan - Growth	1,33,03,699	4,19,29,12,322	3.37%
	Axis Liquid Fund - Direct Plan - Growth	5,83,989	1,38,02,48,736	1.11%
<b>Mutual Fund Units Total</b>		<b>1,38,87,687.98</b>	<b>5,57,31,59,058</b>	<b>4.48%</b>
Fixed Deposits	3.05% Axis Bank FD Mat 07-Apr-2022	1,17,77,69,000	1,17,77,69,000	0.95%
<b>Fixed Deposits Total</b>		<b>1,17,77,69,000.00</b>	<b>1,17,77,69,000</b>	<b>0.95%</b>
<b>Net Current Assets</b>		-	<b>(5,68,72,838)</b>	<b>-0.05%</b>
<b>Grand Total</b>		<b>1,31,50,32,802</b>	<b>1,24,27,46,84,150</b>	<b>100.00%</b>



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme E Tier I	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I		
	Open	28.8305	16.9815
	High	36.4244	30.0569
	Low	28.0994	16.0002
	End	34.3497	28.8305
2	Closing Assets Under Management (₹ in Lakhs)		
	End	12,42,745.84	7,06,608.41
	Average daily net assets (AAuM) II	9,57,961.88	4,81,238.01
3	Gross income as % of AAuM III	15.63%	48.68%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.09%	0.02%
b	Management fee as % of AAuM (scheme wise) V	0.09%	0.01%
5	Net income as % of AAuM VI	15.28%	48.40%
6	Portfolio turnover ratio VII	4.39%	4.76%
7	Returns (%) <sup>*</sup> Compounded Annualised Yield VIII		
	Last 1 Year	19.14%	69.78%
	Last 3 Years	15.67%	13.77%
	Last 5 Years	14.35%	15.08%
	Last 10 Years	NA	NA
	Since Launch of the scheme (01/08/2013)	15.30%	14.81%
* Declared NAV, Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (Including applicable Taxes) as per Revenue Account		
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	Returns (%) <sup>*</sup> Compounded Annualised Yield is to be calculated based on following formula: = ((1+ cumulative return) <sup>n</sup> - 1) / (n * (1 + cumulative return)) (where n=365/no. of days)		



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

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

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Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme E- Tier II ("the Scheme")**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("Act") ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



### Other Matters

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

### Management's Responsibility for the Financial Statements

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.



- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Registration No. 105049W

*Alpesh*  
(ALPESH WAGHELA)  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*

UDIN: *22142058ALSUVWK9852*

NATIONAL PENSION SYSTEM TRUST

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

BALANCE SHEET AS AT MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme E Tier II	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	2,07,32,48,765	1,24,30,56,846
Reserves & Surplus	2	4,07,20,23,488	1,85,24,86,241
Current Liabilities and Provisions	3	5,02,05,549	2,01,03,741
<b>Total</b>		<b>6,19,54,77,802</b>	<b>3,11,56,46,828</b>
<b>Assets</b>			
Investments	4	6,17,88,54,628	3,11,13,79,828
Deposits	5	1,25,76,000	-
Other Current Assets	6	40,47,174	42,67,000
<b>Total</b>		<b>6,19,54,77,802</b>	<b>3,11,56,46,828</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		6,14,52,72,253	3,09,55,43,087
(b) Number of units outstanding		20,73,24,876	12,43,05,684
(c) NAV per unit (a)/(b) (₹)		29.6407	24.9026
<b>Significant accounting policies and notes to accounts</b>	7		

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

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

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date : 24<sup>th</sup> JUNE 2022

Sh.Sashi Krishnan  
(Chief Executive Officer)



Shri Dinesh Kumar Mehrotra



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

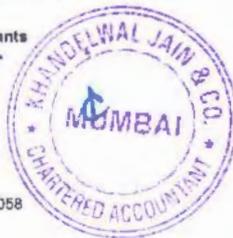
Particulars	Schedule	Scheme E Tier II	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Dividend		5,20,35,290	2,37,46,380
Interest		2,368	-
Profit on sale/redemption of investments		3,19,93,941	1,32,32,336
Unrealised gain on appreciation in investments		61,18,29,014	92,57,80,676
Other income		-	-
- Miscellaneous Income		-	569
<b>Total Income (A)</b>		<b>69,58,68,813</b>	<b>96,27,59,961</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		-	68,144
Loss on sale/redemption of investments		1,01,49,961	51,99,941
Management fees (including Goods and Service Tax)		41,09,240	2,37,180
NPS Trust fees		2,36,716	1,00,500
Custodian fees		1,32,582	65,817
CRA fees		10,30,103	4,98,653
Less : Amount recoverable on sale of units on account of CRA Charges		(10,30,103)	(4,98,653)
Depository and settlement charges		22,020	10,793
Stamp Duty on Bond/Mutual Fund		-	1,01,928
<b>Total Expenditure (B)</b>		<b>1,46,50,519</b>	<b>67,82,303</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>68,12,10,094</b>	<b>96,69,77,658</b>
Less: Amount transferred to Unrealised appreciation account		(61,18,29,014)	(65,69,25,364)
Less: Amount transferred to General Reserve		(6,93,81,080)	(30,00,52,294)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	7		

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Ragun Pancholl  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**

Date : **24<sup>th</sup> JUNE 2022**

Shri Dinesh Kumar Mehrotra

Sh. Senthil Krishnan  
(Chief Executive Officer)



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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<b>Unit capital</b>		
Outstanding at the beginning of the year	1,24,30,56,846	75,30,15,840
Add: Units issued during the year	1,51,65,41,143	96,08,49,619
Less: Units redeemed during the year	(68,63,49,224)	(47,08,08,613)
<b>Outstanding at the end of the year</b>	<b>2,07,32,48,765</b>	<b>1,24,30,56,846</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	12,43,05,684	7,53,01,584
Add: Units issued during the year	15,16,54,114	9,60,84,961
Less: Units redeemed during the year	(6,86,34,922)	(4,70,80,861)
<b>Outstanding Units at the end of the year</b>	<b>20,73,24,876</b>	<b>12,43,05,684</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	1,13,34,73,273	59,07,06,393
Add: Premium on Units issued	2,81,23,71,275	1,06,37,91,622
Less: Premium on Units redeemed	(1,27,40,44,122)	(52,10,24,742)
Add: Transfer from General Reserve	-	-
Closing balance	<b>2,67,18,00,426</b>	<b>1,13,34,73,273</b>
<b>General Reserve</b>		
Opening balance	6,19,82,915	(23,80,69,379)
Add/(Less): Transfer from Revenue Account	6,93,81,080	30,00,52,294
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>13,13,63,995</b>	<b>6,19,82,915</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	65,70,30,053	1,04,689
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	61,18,29,014	65,69,25,364
Closing balance	<b>1,26,88,59,067</b>	<b>65,70,30,063</b>
<b>Total</b>	<b>4,07,20,23,488</b>	<b>1,86,24,86,241</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	4,65,034	1,20,139
Redemption Payable	4,64,67,396	1,86,43,974
TDS Payable	36,922	2,502
Contract for Purchase of Investments	32,36,197	13,37,128
<b>Total</b>	<b>8,02,05,549</b>	<b>2,01,03,741</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Equity shares	5,94,37,57,315	3,03,60,58,810
Others - Mutual Fund Units	23,50,97,313	7,53,21,018
<b>Total</b>	<b>6,17,88,54,628</b>	<b>3,11,13,79,828</b>

Schedule 5: Deposits

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	1,25,76,000	-
<b>Total</b>	<b>1,25,76,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Balances with banks in current account	5,361	2,67,878
Contracts for sale of investments	-	35,33,802
Outstanding and accrued income	861	-
Dividend Receivable	8,04,754	4,64,919
Brokerage receivable from PFM	-	401
Sundry debtors	32,36,198	-
<b>Total</b>	<b>40,47,174</b>	<b>42,67,000</b>



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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) w.e.f. April 01, 2019. 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 as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01, 2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Uncalled liability on partly paid shares	59,59,765	51,28,560
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 (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(In ₹)

Nature of Transaction	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Investment management fees	41,09,240	2,37,180

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Investment management fees payable	4,16,635	80,566

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier II			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	Equity	24,20,99,384	22,49,36,640	4,38,22,299	4,62,14,850

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 March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme E Tier II			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd	Equity	40,00,77,510	41,92,70,303	6,98,86,927	9,90,28,995

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 March 31, 2022 is as follows:

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	4,73,43,13,904	2,01,00,02,405
Purchase of Investment	7,24,74,45,874	3,60,96,45,623
% to average Net Assets Value	153.08%	179.58%
Sale of Investment	4,79,93,60,051	2,54,74,25,378
% to average Net Assets Value	101.37%	126.74%



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

Notes to accounts

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows :

(In ₹)

Particulars	Scheme E Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	4,73,43,13,904	2,01,00,02,405
Purchase of Investment	2,47,66,74,874.00	1,12,71,50,894
% to average Net Assets Value	52.31%	56.08%
Sale of Investment	18,49,17,212.00	9,07,92,378
% to average Net Assets Value	3.91%	4.52%

\*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			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	1,45,76,10,443	23.72%	75,52,89,840	24.40%
Writing, Modifying, Testing of Computer Program to Meet the Needs of a Particular Client excluding Web-Page Designing	65,61,25,220	10.68%	29,60,81,540	9.56%
Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)	54,35,48,925	8.84%	25,84,23,075	8.35%
Computer consultancy and computer facilities management activities	32,07,28,473	5.22%	18,00,28,943	5.82%
Others	2,96,57,43,255	48.26%	1,54,62,35,412	49.95%
Mutual Funds	23,50,97,313	3.83%	7,53,21,018	2.43%
Fixed Deposits	1,25,76,000	0.20%	-	-
Net Current Assets	(4,61,58,375)	-0.75%	(1,58,36,741)	-0.51%
<b>Net Asset Value</b>	<b>6,14,52,72,283</b>	<b>100.00%</b>	<b>3,08,86,43,087</b>	<b>100.00%</b>

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	
			March 31, 2022	March 31, 2021
			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. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
Equity Shares	Reliance Industries Ltd.	2,08,300	54,35,48,925	8.84%
	Infosys Ltd	2,70,250	51,53,26,213	8.39%
	ICICI Bank Ltd	5,92,250	43,25,20,175	7.04%
	HDFC Bank Ltd	2,85,150	41,92,70,303	6.82%
	Tata Consultancy Services Ltd	85,150	24,36,57,743	3.96%
	Housing Development Finance Corporation Ltd	94,100	22,49,36,640	3.66%
	Axis Bank Ltd	2,54,450	19,38,74,818	3.15%
	Larsen & Toubro Ltd	1,09,300	19,32,04,145	3.14%
	Bharati Airtel Ltd.	2,54,850	19,23,99,008	3.13%
	State Bank of India	3,73,800	18,44,88,990	3.00%
	Kotak Mahindra Bank Ltd	98,550	17,28,41,918	2.81%
	Hindustan Unilever Ltd	68,150	13,86,15,498	2.27%
	Bajaj Finance Ltd.	19,150	13,90,28,043	2.26%
	ITC Ltd	5,33,000	13,35,98,450	2.17%
	UltraTech Cement Ltd	15,400	10,16,75,420	1.65%
	Maruti Suzuki India Ltd	12,100	9,14,91,730	1.49%
	HCL Technologies Ltd	77,250	8,98,99,888	1.46%
	Tata Steel Ltd	68,100	8,90,20,320	1.45%
	Hindalco Industries Ltd	1,52,400	8,67,91,800	1.41%
	Tech Mahindra Ltd.	51,400	7,70,71,730	1.25%
	Mahindra & Mahindra Ltd	87,700	7,07,34,435	1.15%
	Asian Paints (India) Ltd	21,900	6,74,50,905	1.10%
	Divis Laboratories Ltd	15,300	6,73,51,365	1.10%
	Dr Reddys Laboratories Ltd	13,200	5,68,99,940	0.92%
	Pidilite Industries Limited	22,800	5,62,03,470	0.91%
	IndusInd Bank Ltd	58,600	5,48,14,440	0.89%
	SBI Life Insurance Company Limited	48,250	5,41,09,963	0.88%
	Bajaj Finserv Ltd	3,150	5,37,40,418	0.87%
	Titan Company Limited	19,150	4,85,67,273	0.79%
	Nestle India Limited	2,700	4,62,27,485	0.76%
	Cipla Ltd	45,850	4,66,77,693	0.76%
	ICICI Prudential Life Insurance Company Limited	75,300	3,77,17,770	0.61%
	Power Grid Corporation of India Ltd	1,63,550	3,54,57,640	0.58%
	Britannia Industries Ltd	10,900	3,49,49,760	0.57%
	Bharat Petroleum Corporation Ltd	94,072	3,38,04,773	0.55%
	Shree Cement Ltd	1,400	3,36,45,640	0.55%
	Siemens Ltd	14,000	3,31,54,800	0.54%
	Sun Pharmaceuticals Industries Ltd	35,900	3,28,39,525	0.53%
	National Thermal Power Corporation Ltd	2,40,750	3,26,01,250	0.53%
	Hindustan Petroleum Corporation Ltd	1,20,600	3,24,83,610	0.53%
	Mphasis Limited	9,600	3,24,17,760	0.53%
	Gland Pharma Limited	9,350	3,05,99,278	0.50%
	MindTree Limited	8,650	2,86,14,285	0.47%
	Petronet LNG Ltd	1,48,400	2,83,65,000	0.46%
	Ambuja Cements Ltd	92,600	2,77,10,550	0.45%
	Astral Limited	13,450	2,72,08,678	0.44%
	Oil & Natural Gas Corporation Ltd	1,59,350	2,61,17,465	0.43%
	United Spirits Ltd	29,150	2,58,95,403	0.42%
	Adani Ports And Special Economic Zone Ltd	33,350	2,58,19,570	0.42%
	Lupin Ltd	34,100	2,54,74,405	0.41%
	Tata Motors Ltd	58,200	2,43,76,750	0.40%
	Godrej Consumer Products Ltd	31,200	2,40,63,080	0.39%
	Havells India Ltd	12,850	2,28,47,808	0.37%
	Wipro Ltd	37,850	2,22,85,035	0.36%
	ICICI Lombard General Insurance Company Limited	16,750	2,22,49,025	0.36%
	Cholamandlam Investment & Finance Company Ltd	29,200	2,02,78,740	0.34%
	Indraprastha Gas Ltd	55,950	2,08,77,743	0.34%
	Hero Motocorp Ltd	9,050	2,07,62,058	0.34%
	Bharat Electronics Ltd.	97,781	2,06,12,235	0.34%
	Dabur India Ltd	38,350	2,05,63,270	0.33%
	Gas Authority of India Ltd	1,20,400	1,87,40,260	0.30%
Voltaas Ltd	13,600	1,89,37,440	0.28%	
SBI Cards and Payment Services Ltd	19,650	1,87,35,905	0.27%	
Bosch Ltd.	1,150	1,68,04,275	0.27%	
Ashok Leyland Ltd	1,27,400	1,49,37,650	0.24%	
Crompton Greaves Consumer Electricals Limited	38,947	1,45,66,178	0.24%	
Eicher Motors Ltd	5,750	1,41,28,613	0.23%	
Cummins India Ltd	12,350	1,38,48,055	0.23%	
Indian Oil Corporation Ltd	1,12,650	1,33,99,718	0.22%	
TVS Motor Company Ltd	20,200	1,26,38,130	0.21%	
Bajaj Auto Ltd	3,000	1,09,59,000	0.18%	
Alkem Laboratories Ltd	2,850	1,03,18,995	0.17%	
MRF Ltd	150	97,53,315	0.16%	
Coal India Ltd	47,000	86,03,350	0.14%	



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% of Portfolio
	Colgate Palmolive (India) Ltd	5,350	82,51,038	0.13%
	Zydus Lifesciences Ltd	21,750	75,79,875	0.12%
	Grasim Industries Ltd	4,400	73,21,600	0.12%
	Shriram Transport Finance Co. Ltd	6,000	68,09,100	0.11%
	Indus Towers Ltd	28,400	63,08,220	0.10%
	Bharati Airtel Ltd. - Partly Paid up Equity Shares	14,853	58,81,045	0.10%
	The Ramco Cements Limited	7,450	57,21,973	0.09%
	Dr. Lal Path Labs Ltd	2,170	56,65,219	0.09%
	Zee Entertainment Enterprises Ltd	9,500	27,39,325	0.04%
	Gujarat Gas Limited	4,100	20,63,325	0.03%
	PB Fintech Limited	2,475	17,18,393	0.03%
<b>Equity Shares Total</b>		<b>62,54,598</b>	<b>5,94,37,573</b>	<b>96.72%</b>
Mutual Fund Units	ICICI Prudential Liquid - Direct Plan - Growth	7,45,941	23,50,97,313	3.83%
<b>Mutual Fund Units Total</b>		<b>7,45,941</b>	<b>23,50,97,313</b>	<b>3.83%</b>
Fixed Deposits	2.50% Axis Bank FD Mat 07-Apr-2022	1,25,76,000	1,25,76,000	0.20%
<b>Fixed Deposits Total</b>		<b>1,25,76,000</b>	<b>1,25,76,000</b>	<b>0.20%</b>
<b>Net Current Assets</b>		<b>-</b>	<b>(4,61,58,375)</b>	<b>-0.75%</b>
<b>Grand Total</b>		<b>1,95,76,539</b>	<b>6,14,52,72,253</b>	<b>100.00%</b>



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme E Tier II	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I		
	Open	24,9026	14,6843
	High	31,4398	25,9866
	Low	24,2721	13,8299
	End	29,6407	24,9026
2	Closing Assets Under Management (₹ In Lakhs)		
	End	61,452.72	30,955.43
	Average daily net assets (AAuM) II	47,343.14	20,100.02
3	Gross income as % of AAuM III	14.70%	47.90%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.10%	0.03%
b	Management fee as % of AAuM (scheme wise) V	0.09%	0.01%
5	Net income as % of AAuM VI	14.39%	47.61%
6	Portfolio turnover ratio VII	3.91%	4.52%
7	Returns (%) * Compounded Annualised Yield VIII		
	Last 1 Year	19.03%	69.59%
	Last 3 Years	15.58%	13.68%
	Last 5 Years	14.33%	15.15%
	Last 10 Years	NA	NA
	Since Launch of the scheme (01/08/2013)	13.35%	12.63%
* Declared NAV; Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (Including applicable Taxes) as per Revenue Account		
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	Returns (%) * 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**

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

***Contents***

Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



## INDEPENDENT AUDITORS' REPORT

To,  
The Trustees,  
National Pension System Trust

### Report on the audit of Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme C- Tier I (“the Scheme”)**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (“Act”) (“SAs”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



### Emphasis of Matter

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

1. We draw attention to note 2.4 in respect of investment in IL&FS group, 100% provision is made for Interest due and accrued till the date of NPA classified securities and 100% NPA provision is made on all IL&FS Ltd. NCD's/Bonds.

On November 30, 2020 7.80% IL&FS Ltd. NCD Mat 30-Nov-2020 got matured and was moved to the Redemption Receivable head under Schedule 6, hence the provision of Rs.5,00,00,000 is shown in Schedule 6 against the Redemption Receivable.

### Other Matters

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

### Management's Responsibility for the Financial Statements

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.



### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.
- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

*Alpesh Waghela*  
ALPESH WAGHELA  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*

UDIN: *22142058 ALSVWK9852*

**NATIONAL PENSION SYSTEM TRUST**

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

**BALANCE SHEET AS AT MARCH 31, 2022**

(In ₹)

Particulars	Schedule	Scheme C Tier I	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	24,33,07,06,386	15,24,52,64,903
Reserves & Surplus	2	31,35,18,18,369	17,46,83,13,937
Current Liabilities and Provisions	3	3,86,51,014	66,78,81,343
<b>Total</b>		<b>55,72,11,75,769</b>	<b>33,38,14,60,183</b>
<b>Assets</b>			
Investments	4	53,74,36,00,868	31,66,22,89,282
Deposits	5	51,16,09,000	-
Other Current Assets	6	1,46,59,65,901	1,71,91,70,901
<b>Total</b>		<b>55,72,11,75,769</b>	<b>33,38,14,60,183</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		55,68,25,24,755	32,71,35,78,840
(b) Number of units outstanding		2,43,30,70,638	1,52,45,26,490
(c) NAV per unit (a)/(b) (₹)		22.8857	21.4581
<b>Significant accounting policies and notes to accounts</b>	7		

The notes referred to above form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

*Alpesh Waghela*  
Alpesh Waghela  
Partner  
Membership No.142058



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

*Vibha Pedalkar*  
Vibha Pedalkar  
(Director)

*Niraj Shah*  
Niraj Shah  
(Director)

*Sriram Iyer*  
Sriram Iyer  
(Chief Executive Officer)

*Fagun Pancholi*  
Fagun Pancholi  
(Chief Financial Officer)

*Nagesh Pai*  
Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

*Shri Dinesh Kumar Mehrotra*  
(Chairman, NPS Trust Board)

Place : **MUMBAI**

Date : **24<sup>th</sup> JUNE 2022**

*Sh. Sashi Krishnan*  
Sh. Sashi Krishnan  
(Chief Executive Officer)



**Shri Dinesh Kumar Mehrotra**



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme C Tier I	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Interest		2,93,37,39,497	1,80,99,22,526
Profit on sale/redemption of investments		27,80,66,352	58,59,78,136
Profit on inter-scheme transfer/sale of investments		-	24,42,448
Unrealised gain on appreciation in investments		6,11,998	12,54,90,277
- Miscellaneous Income		-	49,888
<b>Total Income (A)</b>		<b>3,21,24,17,847</b>	<b>2,52,38,83,275</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		38,25,52,822	-
Loss on sale/redemption of investments		12,87,15,568	4,83,47,924
Management fees (including Goods and Service Tax)		3,70,47,649	29,85,719
NPS Trust fees		21,30,866	12,65,135
Custodian fees		14,47,049	8,62,180
CRA fees		2,06,14,009	1,74,28,626
Less: Amount recoverable on sale of units on account of CRA Charges		(2,06,14,009)	(1,74,28,626)
Provision for Non-Performing Assets *		-	51,75,000
Depository and settlement charges		2,85,311	1,84,711
Stamp Duty on Bond/Mutual Fund		-	50,85,379
<b>Total Expenditure (B)</b>		<b>55,21,79,265</b>	<b>6,38,68,048</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>2,66,02,38,582</b>	<b>2,45,99,97,227</b>
Less: Amount transferred to Unrealised appreciation account		38,19,40,824	(12,54,90,277)
Less: Amount transferred to General Reserve		(3,04,21,79,406)	(2,33,45,06,950)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	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 no 4 in Notes to Accounts )

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Ragun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai  
Date :

Place : Mumbai  
Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**  
Date : **24<sup>th</sup> JUNE 2022**



Sh.Sashi Krishnan  
(Chief Executive Officer)

Shri Dinesh Kumar Mehrotra



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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<b>Unit capital</b>		
Outstanding at the beginning of the year	15,24,52,64,903	10,45,54,02,248
Add: Units issued during the year	10,50,88,25,744	5,72,87,73,298
Less: Units redeemed during the year	(1,42,33,84,261)	(93,89,10,643)
<b>Outstanding at the end of the year</b>	<b>24,33,07,06,386</b>	<b>16,24,52,64,903</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	1,52,45,26,490	1,04,55,40,225
Add: Units issued during the year	1,05,08,82,574	57,28,77,330
Less: Units redeemed during the year	(14,23,38,427)	(9,38,91,064)
<b>Outstanding Units at the end of the year</b>	<b>2,43,30,70,638</b>	<b>1,52,45,26,490</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	12,06,56,71,218	6,85,34,16,465
Add: Premium on Units issued	12,97,80,56,901	6,19,93,28,626
Less: Premium on Units redeemed	(1,75,47,91,051)	(98,70,73,873)
Add: Transfer from General Reserve	-	-
Closing balance	<b>23,28,89,37,068</b>	<b>12,06,56,71,218</b>
<b>General Reserve</b>		
Opening balance	4,82,59,80,494	2,49,14,73,544
Add/(Less): Transfer from Revenue Account	3,04,21,79,406	2,33,45,06,950
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>7,86,81,59,900</b>	<b>4,82,59,80,494</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	57,66,62,225	45,11,71,948
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	(38,19,40,824)	12,54,90,277
Closing balance	<b>19,47,21,401</b>	<b>67,66,62,225</b>
<b>Total</b>	<b>31,35,18,18,368</b>	<b>17,46,83,13,937</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	43,49,239	14,62,898
Redemption Payable	3,39,62,518	3,58,12,249
TDS Payable	3,39,257	27,088
Contract for Purchase of Investments	-	63,05,79,108
<b>Total</b>	<b>3,86,51,014</b>	<b>66,76,81,343</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Debentures and Bonds Listed/Awaiting Listing	50,09,45,60,405	30,39,45,77,013
Provision for Sub Standard Assets *	(69,00,000)	(69,00,000)
Others - Mutual Fund Units	3,65,59,40,463	1,27,46,12,269
<b>Total</b>	<b>53,74,36,00,868</b>	<b>31,66,22,89,282</b>

\*Provision for Sub Standard Assets includes the 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds. ( Refer Note no 4 in Notes to Accounts )

Schedule 5: Deposits

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	51,16,09,000	-
<b>Total</b>	<b>51,16,09,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Balances with banks in current account	25,699	25,38,15,183
Contracts for sale of investments	-	52,20,67,623
Interest Receivable on Non-Performing Investments	55,14,917	55,14,917
Less: Provision for interest on Non-Performing Investment ^	(55,14,917)	(55,14,917)
Outstanding and accrued income	1,46,59,40,202	94,31,54,095
Brokerage receivable from PFM	-	1,34,000
Redemption receivable on Non performing Investment *	5,00,00,000	5,00,00,000
Less: Provision for Non Performing Investment	(5,00,00,000)	(5,00,00,000)
<b>Total</b>	<b>1,46,59,65,901</b>	<b>1,71,91,70,901</b>

\* Maturity proceeds receivable on 7.80% IL&FS Ltd. NCD Matured on 30-Nov-2020 and NPA Provision thereof.

^ Provision for interest on Non-Performing Investment includes 100% provision made for Interest due and accrued till the date of NPA classified securities.



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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 carried out by ICRA Management Consulting Services Limited (IMACS) w.e.f April 01, 2019. 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/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.

Incomes on non-performing assets (NPA) are recognized 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01,2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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**

**2.1 Contingent liabilities**

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
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 (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(In ₹)

Nature of Transaction	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Investment management fees	3,70,47,649	29,85,719

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Investment management fees payable	38,23,697	8,38,073

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme C Tier I			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	NCD	1,08,46,55,016	1,07,51,20,269	24,48,92,640	24,64,37,382
HDFC Credila Financial Services Ltd	NCD	1,09,28,65,573	1,11,43,92,527	1,13,69,17,116	1,16,89,55,962
HDFC Ergo General Insurance Company Limited	NCD	20,00,00,200	19,78,58,295	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 March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme C Tier I			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd		NIL	NIL	NIL	NIL

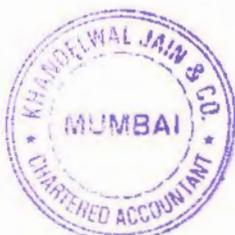
**2.4 Provision**

Provision for Interest on Non-Performing Investments has been provided basis the NPS Trust communication ref: 1/16/2018-NPST/11514 dated 08th August 2019. Apart from the stated security, there are no provisions for doubtful deposits, debts and outstanding and accrued income.

Name of the Company	Asset type	March 31, 2022		March 31, 2021	
		Principal	Interest	Principal	Interest
7.80% IL&FS Ltd. NCD Mat 30-Nov-2020		5,00,00,000	-	5,00,00,000	-
8.69% IL & FS Ltd NCD Mat 25-Aug-2025.	Non - Convertible	20,00,000	-	20,00,000	-
9.50% IL & FS Ltd NCD Mat 28-Jul-2024.	Debenture	29,00,000	-	29,00,000	-
9.55% IL & FS Ltd NCD Mat 13-Aug-2024.		20,00,000	-	20,00,000	-
<b>Total Provision on Non-Performing Investment</b>		<b>5,69,00,000</b>	<b>-</b>	<b>5,69,00,000</b>	<b>-</b>

FY 2020 - Rs.5,00,00,000 has been provided as provision for NPA on 7.80% IL&FS Ltd. NCD Mat 30-Nov-2020. Further Rs.17,25,000 provided as provision for NPA and 51,75,000 provided as valuation discount on all other IL&FS Ltd. NCD's/Bonds during year ended March 2020. 100% provision made for Interest due and accrued amounting to Rs.6,31,903 during the year ended March 2020.

FY 2021 - Rs.51,75,000 ( 75% Valuation discount) was classified as provision for NPA toward principal of all other IL&FS Ltd.NCD's/Bonds during the year ended March 2021. On November 30, 2020 the 7.80% IL&FS Ltd. NCD Mat 30-Nov-2020 was got matured and moved to the Redemption Receivable head under Schedule 6, hence the provision of Rs.5,00,00,000 is shown in Other Current Assets (Schedule 6) against the Redemption Receivable on NPA.



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

Notes to accounts

**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 March 31, 2022 is as follows :

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	42,61,72,21,834	25,30,26,91,057
Purchase of Investment	2,88,59,06,83,684	1,53,94,89,51,387
% to average Net Assets Value	677.17%	608.43%
Sale of Investment	2,64,85,75,92,972	1,42,26,12,50,085
% to average Net Assets Value	621.48%	562.24%

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows :

(In ₹)

Particulars	Scheme C Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	42,61,72,21,834	25,30,26,91,057
Purchase of Investment	57,52,31,37,684	30,78,08,24,925
% to average Net Assets Value	134.96%	121.65%
Sale of Investment	36,13,67,97,938	20,17,75,10,701
% to average Net Assets Value	84.79%	79.74%

\*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 I			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Other Credit Granting	17,66,09,95,110	31.72%	8,00,71,47,819	27.53%
Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	6,36,22,99,964	11.43%	3,53,75,34,373	10.81%
Activities of specialized institutions granting credit for house purchases that also take deposits	5,48,96,88,093	9.86%	3,06,16,12,689	9.36%
Electric Power Generation By Coal Based Thermal Power Plants	3,53,86,51,920	6.36%	55,12,99,641	1.69%
Construction And Maintenance Of Motorways, Streets, Roads, Other Vehicular And Pedestrian Ways, Highways, Bridges, Tunnels And Subways	2,26,64,93,988	4.07%	2,62,49,15,333	8.02%
Other monetary intermediation services n.e.c.	2,07,30,69,607	3.72%	2,24,05,18,213	6.85%
Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals	2,18,51,02,636	3.92%	2,00,78,05,308	6.14%
Others	10,51,13,59,088	18.88%	7,35,68,43,638	22.49%
Mutual Funds	3,65,59,40,463	6.57%	1,27,46,12,269	3.90%
Fixed Deposits	51,16,09,000	0.92%		
Net Current Assets	1,42,73,14,887	2.56%	1,05,12,89,558	3.21%
<b>Net Asset Value</b>	<b>55,66,25,24,756</b>	<b>100.00%</b>	<b>32,71,35,78,840</b>	<b>100.00%</b>

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	
			March 31, 2022	March 31, 2021
			NIL	NIL

**2.8 Prior Year Comparatives :**

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



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% of Portfolio
Non-convertible Debenture	6.87% Muthoot Finance Ltd. Series 20A Option II Tranche I Mat 27-Feb-2025	2,750	2,75,23,08,000	4.94%
	6.40% Jamnagar Utilities & Power Pvt. Ltd. Maturity 29-Sep-2026	2,100	2,06,49,14,104	3.71%
	8.70% LIC Housing Finance Ltd. Mat 23-Mar-2029	1,600	1,73,34,22,496	3.11%
	6.24% State Bank of India Basel III Tier-2 NCD Mat 21-Sep-2030.	1,700	1,69,07,04,986	3.04%
	6.85% ICICI Pru Life Insurance Co. Ltd. Mat 06-Nov-2030	1,550	1,53,44,87,684	2.76%
	7.95% Sikka Ports & Terminals Limited NCD Mat 28-Oct-2026	1,200	1,25,67,24,606	2.26%
	7.02% Bajaj Finance Ltd NCD Mat 18-Apr-2031	1,250	1,23,52,70,588	2.22%
	5.83% State Bank of India Basel III Tier 2 Mat 26-Oct-2030	1,250	1,22,56,43,932	2.20%
	8.37% National Highways Authority of India Mat 21-Jan-2029	1,100	1,18,50,63,047	2.13%
	7.75% Mangalor Refinery & Petrochemicals Ltd. Mat 29-Jan-2030	1,065	1,09,62,17,752	1.97%
	8.65% NHPC NCD Mat 08-February-2029	950	1,00,29,71,859	1.80%
	8.00% ICICI Home Finance Co. Ltd. Mat 05-Dec-2024	1,880	98,59,92,962	1.77%
	8.85% Power Finance Corporation Ltd S 187(A&B) Mat 25-May-2029	880	96,93,58,564	1.74%
	7.40% Mangalor Refinery & Petrochemicals Ltd. Mat 12-Apr-2030	950	95,88,64,619	1.72%
	6.45% ICICI Bank Ltd NCD Mat 15-June-2028	950	92,91,19,494	1.67%
	8.42% IDFC First Bank Ltd Basel III Tier II SERIES PP 1 NCD Mat 08-Feb-2032	91	92,46,15,966	1.66%
	7.50% Max Life Insurance Co. Ltd. Mat 02-Aug-2031 Series 1	900	89,35,79,225	1.60%
	6.69% NTPC NCD Mat 13-Sep-2031 SERIES 75	900	88,32,24,761	1.59%
	7.90% Sikka Ports & Terminals Limited NCD Mat 18-Nov-2026	812	84,92,59,107	1.53%
	7.00% Shriram Transport Fin Series K 06 Option 2 Mat 21-Feb-2024	750	74,80,28,813	1.34%
	8.60 Axis Bank Ltd NCD Mat 28-Dec-28	650	70,47,81,325	1.27%
	7.70% LIC Housing Finance Co. Ltd. Mat 19-Mar-2031	682	70,25,59,964	1.25%
	8.30% Rural Electrification Corp Ltd Series 180-B Mat 25-Jun-2029	650	69,67,63,337	1.25%
	7.95% L&T Finance Ltd Series E Option 1 Mat 26-July-2025	650	66,84,17,246	1.20%
	8.00% HDFC Credila Fin Ser Pvt Ltd 31-Jan-2025	802	62,34,23,059	1.12%
	7.85% L&T Finance Ltd Series Mat 09-July-2025	600	61,50,16,924	1.10%
	7.41% NABARD NCD Mat 18-July-2029	550	56,31,96,033	1.01%
	8.80% Rural Electrification Corp Ltd Mat 14-May-2029 Series 178	500	54,92,73,917	0.99%
	8.75% LIC Housing Finance Co. Ltd. Mat 08-Dec-2028	500	54,29,85,979	0.98%
	8.55% HDFC Ltd Mat 27-Mar-2029	500	53,82,94,602	0.97%
	8.27% National Highways Authority of India Mat 28-Mar-2029	500	53,69,85,376	0.96%
	7.20% Power Grid NCD Mat 09-Aug-2027	500	52,05,93,183	0.93%
	6.48% Sundaram Finance Ltd Mat 15-May-2026	520	51,58,79,353	0.93%
	7.08% Cholamandalam Invst & Fin Co. Ltd. Series 615 NCD Mat 11-Mar-2025	500	50,47,03,740	0.91%
	7.4507% Shriram Transport Fin Series K 07 Tranche C Mat 23-Apr-2025	500	50,00,60,106	0.90%
	8.80% LIC Housing Finance Ltd. Mat 25-Jan-2029	440	47,81,97,556	0.86%
	7.38% NABARD NCD Mat 20-Oct-2031	450	45,94,86,845	0.83%
	7.95% LIC Housing Finance Ltd. Mat 29-Jan-2028 Tranch 359	440	45,76,14,724	0.82%
	6.67% ICICI Bank Ltd. NCD Mat 26-Nov-2028 Series DNV21LB	450	44,47,40,752	0.80%
	6.00% HDFC Ltd Series Z-001 Mat 29-May-2028	450	44,08,07,084	0.79%
	8.56% Rural Electrification Corp Ltd Series 168 Mat 29-Nov-2028	390	42,46,65,420	0.76%
	9.30% Shriram Transport Fin NCD Mat 12-July-2023	4,00,000	41,26,57,520	0.74%
	7.85% Power Finance Corporation Ltd. Mat 03-April-2028	369	38,72,00,375	0.70%
	9.30% M&M Financial Services Ltd Mat 18-Jan-2027	3,50,000	37,24,90,370	0.67%
	6.99% NHAI 20-21 Series-II Mat 28-May-2035	350	34,72,48,682	0.62%
	7.69% NABARD NCD Mat 31-March-2032	300	31,25,85,482	0.56%
	7.25% Nuclear Power Corp. Mat 15-Dec-2027	300	31,18,83,878	0.56%
	7.00% HDFC Credila Fin Ser Pvt Ltd 12-Nov-2027	306	30,10,35,120	0.54%
	6.45% L&T Finance Ltd Series A Mat 10-May-2024.	300	30,06,71,128	0.54%
	8.14% Nuclear Power Corp. Mat 25-Mar-2028 (Tranche C).	280	30,00,18,463	0.54%
	8.70% Power Grid NCD Mat 15-Jul-2028	265	29,09,12,051	0.52%
	8.36% Power Grid NCD Mat 07-Jan-2029	250	26,62,70,754	0.48%
7.48% IRFC NCD Mat 13-Aug-2029	250	25,82,21,180	0.46%	
7.38% NHPC NCD Mat 03-January-2028	1,250	25,79,17,776	0.46%	
6.07% NABARD NCD Mat 19-November-2027	247	24,34,74,087	0.44%	
9.35% Power Grid NCD Mat 29-Aug-2029	200	22,82,94,647	0.41%	
9.35% Power Grid NCD Mat 29-Aug-2028	200	22,64,29,737	0.41%	
8.51% NABARD NCD Mat 19-December-2033	200	22,19,88,294	0.40%	
8.94% Power Finance Corporation Ltd Series 103 Mat-25-Mar-2028	202	22,11,29,023	0.40%	
8.49% NTPC NCD Mat 25-Mar-2025	1,67,35,353	22,06,77,385	0.40%	
8.45% IRFC NCD Mat 04-Dec-2028	201	21,77,97,207	0.39%	
7.25% Nuclear Power Corp. Mat 15-Dec-2031 (SR-XXXIII TRCH-E)	198	20,32,10,050	0.36%	
6.72% India Grid Trust INVIT Series M NCD Mat 14-Sep-2026	200	19,91,41,565	0.36%	
7.10% HDFC ERGO General Insurance Co. Ltd. Mat 09-Nov-2031	200	19,78,58,295	0.36%	
6.74% NTPC Series 76 NCD Mat 14-Apr-2032	200	19,67,14,979	0.35%	
9.25% Power Grid NCD Mat 08-March-2027	170	19,10,03,143	0.34%	
8.62% HDFC Credila Fin Ser Pvt Ltd 17-June-2024	182	18,99,34,348	0.34%	
8.67% Power Finance Corporation Ltd. Series 179A Mat 18-Nov-2028	173	18,96,97,686	0.34%	
9.30% Power Grid NCD Mat 04-Sep-2029	150	17,08,31,257	0.31%	
8.79% M&M Financial Services Ltd Mat 23-Jan-2025	158	16,59,50,563	0.30%	
9.50% M&M Financial Services Ltd Mat 18-Jan-2029	1,50,000	16,33,70,880	0.29%	



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
	8.49% NHAI Series V Mat 05-Feb-2029	150	16,26,25,497	0.29%
	7.74% Power Finance Corporation Ltd Mat 30-Jan-2028	150	15,70,60,939	0.28%
	10.15% Bajaj Finance Ltd NCD Mat 19-Sep-2024	143	15,50,56,544	0.28%
	9.08% LIC Housing Finance Co. Ltd. Mat 10-Oct-2028	140	15,41,32,315	0.28%
	8.65% Tata Capital Fin Services Ltd NCD Mat 26-Aug-27	1,40,000	14,88,54,580	0.27%
	8.65% Reliance Industries Limited Mat 11-Dec-2028	130	14,10,83,174	0.25%
	7.48% Mangalore Refinery & Petrochemicals Ltd. Series 4 ETF 14-Apr-2032	128	13,00,20,265	0.23%
	8.14% Nuclear Power Corp. Mat 25-Mar-2028(Tranche A)	114	12,28,06,328	0.22%
	8.14% Nuclear Power Corp. Mat 25-Mar-2027 (Tranche B)	109	11,69,42,452	0.21%
	9.05% Reliance Industries Limited Mat 17-Oct-2028	100	11,04,02,304	0.20%
	9.10% LIC Housing Finance Ltd. Mat 24-Sep-2028 Tranche 367 Option III	100	11,01,57,831	0.20%
	8.30% NTPC Series 67 NCD Mat 15-Jan-2029	100	10,76,81,140	0.19%
	7.54% IRFC NCD Mat 28-July-2034	100	10,38,78,644	0.19%
	7.55% IRFC NCD Mat 06-Nov-2029	100	10,36,93,013	0.19%
	7.25% Nuclear Power Corp. Mat 15-Dec-2029 (SR-XXXIII TRCH-C)	100	10,26,24,666	0.18%
	10.30% Sundaram Finance Ltd Mat 28-Sept-2022	100	10,24,30,355	0.18%
	7.75% L&T Finance Ltd Series D Mat 10-July-2025	100	10,22,20,953	0.18%
	7.25% Nuclear Power Corp. Mat 15-Dec-2028 (SR-XXXIII TRCH-B)	97	9,99,94,985	0.18%
	8.92% IRFC NCD Mat 31-Aug-2031 SERIES 161	100	9,94,21,651	0.18%
	10% Shriram Transport Fin NCD Mat 13-Nov-2024	91	9,66,40,564	0.17%
	8.35% IRFC NCD Mat 13-Mar-2029	80	8,62,15,248	0.15%
	7.70% L&T NCD Mat 28 Apr 2025	80	8,37,27,346	0.15%
	8.22% NABARD NCD Mat 13-December-2028	77	8,30,66,807	0.15%
	9.22% Shriram Transport Fin NCD Mat 13-Apr-2026	76	7,86,42,648	0.14%
	8.30% IRFC NCD Mat 25-Mar-2029	69	7,41,91,833	0.13%
	9.36% IDFC First Bank Ltd NCD Mat 21-Aug-2024	70	7,33,60,779	0.13%
	9.85% Bajaj Finance Ltd NCD Mat 21-Jul-2026	60	6,35,16,810	0.11%
	9.17% IDFC First Bank Ltd NCD Mat 14-Oct-2024	58	6,06,96,178	0.11%
	10.04% IRFC NCD Mat 07-Jun-2027	50	5,83,78,050	0.10%
	8.18% NABARD NCD Mat 26-December-2028	53	5,70,79,926	0.10%
	8.85% Rural Electrification Corp Ltd Series 176 Mat 16-Apr-2029	50	5,50,30,824	0.10%
	8.40% Nuclear Power Corp. Mat 28-Nov-2029 (SR-XXIX TRCH-E)	50	5,46,95,604	0.10%
	8.40% Nuclear Power Corp. Mat 28-Nov-2028 XXIX TRANCHE D	50	5,45,87,641	0.10%
	8.55% IRFC NCD Mat 21-Feb-2029	50	5,43,93,193	0.10%
	9.18% Nuclear Power Corp. Mat 23-Jan-2029(Tranche E)	48	5,41,30,644	0.10%
	9.30% Power Grid NCD Mat 28-Jun-2024	40	5,39,92,494	0.10%
	8.37% Rural Electrification Corp Ltd Mat 07-Dec-2028 Series 169	50	5,39,53,139	0.10%
	8.55% Rural Electrification Corp Ltd Mat 09-Aug-2028 Series 162	50	5,38,62,723	0.10%
	9.18% Nuclear Power Corp. Mat 23-Jan-2028(Tranche D)	48	5,37,25,544	0.10%
	7.75% Power Finance Corporation Ltd Mat 22-Mar-2027	50	5,33,69,918	0.10%
	8.09% Rural Electrification Corp Ltd Mat 21-march-2028	50	5,31,58,513	0.10%
	8.06% Rural Electrification Corp Ltd Mat 27-Mar-2028	50	5,30,93,789	0.10%
	8.01% Rural Electrification Corp Ltd Mat 24-Mar-2028	50	5,29,69,193	0.10%
	7.83% NABARD NCD Series 4A Mat 17-Oct-2034	50	5,28,06,554	0.09%
	7.54% Rural Electrification Corp Ltd Series 142 Mat 30-Dec-2026	50	5,24,56,747	0.09%
	7.97% LIC Housing Finance Co. Ltd. Mat 28-Jan-2030	50	5,23,14,762	0.09%
	7.38% NHPC NCD Mat 02-January-2027	250	5,22,65,004	0.09%
	7.38% NHPC NCD Mat 03-January-2026	250	5,22,25,568	0.09%
	7.44% Power Finance Corporation Ltd Mat 11-June-2027	50	5,21,97,944	0.09%
	7.65% Axis Bank Ltd NCD Mat 30-Jan-27	50	5,20,76,203	0.09%
	9.25% LIC Housing Finance Co. Ltd. Mat 01-Jan-2023	50	5,14,63,309	0.09%
	8.79% IRFC NCD Mat 04-May-2030	46	5,13,51,717	0.09%
	7.25% Nuclear Power Corp. Mat 15-Dec-2030 (SR-XXXIII TRCH-B)	50	5,12,15,879	0.09%
	9.05% LIC Housing Finance Ltd. Mat 25-Oct-2022	50	5,11,21,292	0.09%
	8.72% Shriram Transport Fin NCD Mat 27-Mar-2023	50	5,10,48,924	0.09%
	7.98% IDFC First Bank Ltd NCD Mat 23-May-2023	50	5,08,34,784	0.09%
	6.75% Sikka Ports & Terminals Limited NCD Mat 22-April-2026	50	5,01,66,909	0.09%
	8.40% Power Grid NCD Mat 27-May-2024	47	4,97,82,309	0.09%
	8.95% HDFC Ltd Mat 21-Mar-2023	47	4,86,66,278	0.09%
	9.60% EXIM Bank NCD Mat 07-FEB-2024	45	4,82,63,568	0.09%
	8.49% NHPC NCD Mat 26-November-2024	450	4,82,18,371	0.09%
	8.05% HDFC Ltd Series W-003 Mat 22-Oct-2029	45	4,73,52,306	0.09%
	9.47% IRFC NCD Mat 10-May-2031	40	4,68,95,438	0.08%
	7.34% Power Finance Corporation Ltd Mat 29-Sep-2035	43	4,35,91,772	0.08%
	9.15% M&M Financial Services Ltd Mat 18-Jan-2024	40,000	4,20,45,584	0.08%
	8.94% Bajaj Finance Ltd NCD Mat 07-Nov-2025	38	4,03,42,204	0.07%
	8.85% Power Grid NCD Mat 19-Oct-2024	29	3,89,84,886	0.07%
	9.15% Bank Of Baroda Series-IX Mat 30-Oct-2024	34	3,65,85,577	0.07%
	8.54% NHPC NCD Mat 26-November-2026	330	3,62,16,615	0.07%
	8.75% IDFC First Bank Ltd NCD Mat 28-Jul-2023	35	3,59,25,325	0.06%
	9.64% Power Grid NCD Mat 31-May-2026	24	3,38,74,543	0.06%



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% oPortfolio
	9.00% NTPC NCD Mat 25-Jan-2026	150	3,29,59,865	0.06%
	9.17% NTPC NCD Mat 22-Sep-2024	30	3,24,79,685	0.06%
	8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A)	29	3,14,35,701	0.06%
	10.25% Shriram Transport Fin NCD Mat 10-Oct-2024	29	3,08,98,258	0.06%
	8.70% Power Finance Corporation Ltd. Mat 14-May-2025	28	3,00,77,578	0.05%
	8.82% Rural Electrification Corp. Ltd. Mat 12-Apr-2023	29	3,00,54,726	0.05%
	9.22% LIC Housing Finance Co. Ltd. Mat 18-Oct-2024	28	3,00,16,484	0.05%
	5.14% NABARD NCD Mat 31-Jan-2024	30	2,98,66,642	0.05%
	9.30% LIC Housing Finance Ltd. Mat 14-Sep-2022	29	2,95,81,201	0.05%
	8.49% IDFC First Bank Ltd NCD Mat 11-Dec-2024	24	2,47,96,112	0.04%
	8.32% Power Grid NCD Mat 23-Dec-2020	22	2,38,52,794	0.04%
	9.30% Power Grid NCD Mat 28-Jun-2028	16	2,23,27,681	0.04%
	8.20% NABARD NCD Mat 28-Mar-2034	20	2,19,95,732	0.04%
	8.23% Rural Electrification Corp Ltd Mat 23-Jan-2025	20	2,11,59,050	0.04%
	6.94% NHAI 20-21 Series-IX Mat 30-Dec-2036	20	1,97,04,265	0.04%
	8.40% Power Grid NCD Mat 27-May-2029	18	1,95,40,959	0.04%
	8.10% EXIM Bank NCD Mat 19-Nov-2025	18	1,92,59,487	0.03%
	10.25% Shriram Transport Fin NCD Mat 18-Sep-2024	18	1,91,52,139	0.03%
	8.50% EXIM Bank Mat 08-Jul-2023	17	1,76,90,180	0.03%
	9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022	17	1,74,37,048	0.03%
	8.50% NABARD NCD Mat 31-Jan-2023	16	1,64,65,647	0.03%
	10.70%IRFC NCD Mat 11-Sep-2023	15	1,61,73,861	0.03%
	8.65% Power Finance Corporation Ltd. Mat 28-Dec-2024	15	1,60,72,528	0.03%
	8.20% Power Finance Corporation Ltd. Mat 10-Mar-2025	15	1,58,88,435	0.03%
	8.73% IDFC First Bank Ltd NCD Mat 08-Jan-2023	15	1,52,77,617	0.03%
	6.98% NHAI 20-21 Series-III Mat 29-June-2035	15	1,48,67,121	0.03%
	8.30% Rural Electrification Corp Ltd Mat 10-Apr-2025	14	1,48,62,279	0.03%
	8.83% IRFC NCD Mat 14-May-2031	13	1,46,86,581	0.03%
	8.90% IDFC First Bank Ltd NCD Mat 19-Nov-2025	14	1,45,89,360	0.03%
	8.70% IDFC First Bank Ltd NCD Mat 23-Jun-2025	14	1,44,98,430	0.03%
	8.95%IRFC NCD Mat 10-Mar-2025	13	1,41,36,992	0.03%
	9.39% Power Finance Corporation Ltd. Mat 27-Aug-2024	13	1,40,48,502	0.03%
	9.18% Nuclear Power Corp. Mat 23-Jan-2027 (Tranche C)	11	1,22,45,024	0.02%
	9.15% EXIM Bank NCD Mat 05-Sep-2022	12	1,22,30,143	0.02%
	8.70% IDFC First Bank Ltd NCD Mat 20-May-2025	11	1,13,83,425	0.02%
	8.77% NABARD NCD Mat 05-Oct-2028	10	1,10,57,558	0.02%
	8.80% Power Finance Corporation Ltd. Mat 15-Jan-2025	10	1,07,12,222	0.02%
	9.40% IDFC First Bank Ltd 29-Sep-2025	10	1,05,91,675	0.02%
	8.90 State Bank of India NCD Mat 02-Nov-2028	10	1,05,29,597	0.02%
	9.30% Shriram Transport Fin NCD Mat 18-Mar-2026	10	1,03,68,480	0.02%
	8.89% LIC Housing Finance Ltd. Mat 25-Apr-2023	10	1,03,56,076	0.02%
	9.35% Rural Electrification Corp Ltd Mat 15-Jun-2022	10	1,01,04,085	0.02%
	6.80% State Bank of India Basel III Tier 2 Series I Mat 21-Aug-2035.	10	98,37,000	0.02%
	9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024	9	97,13,835	0.02%
	8.56% Nuclear Power Corp. Mat 15-Mar-2023 (Tranche C)	9	93,15,231	0.02%
	8.85% Power Finance Corporation Ltd. Mat 15-Jun-2030	7	77,61,866	0.01%
	8.50% LIC Housing Finance Co. Ltd. Mat 28-Aug-2025	7	74,57,677	0.01%
	8.82% IDFC First Bank Ltd NCD Mat 28-Sept-2025	7	72,71,792	0.01%
	8.83% IRFC NCD Mat 14-May-2034	6	69,19,780	0.01%
	8.90% Sundaram Finance Ltd Mat 13-June-2029	6	64,99,495	0.01%
	8.83% IRFC NCD Mat 14-May-2035	5	57,96,650	0.01%
	8.40% Nuclear Power Corp. Mat 28-Nov-2026 (SR-XXIX TRCH-B)	5	54,85,082	0.01%
	8.75% M&M Financial Services Ltd Mat 09-Oct-2025	5	53,01,075	0.01%
	9.38% IDFC First Bank Ltd NCD Mat 12-Sep-2024	5	52,47,770	0.01%
	8.73% IDFC First Bank Ltd NCD Mat 14-Jun-2022	5	50,33,004	0.01%
	8.93% Power Grid NCD Mat 20-Oct-2027	4	44,85,652	0.01%
	9.46% Power Finance Corporation Ltd. Mat 01-Aug-2026	4	44,65,774	0.01%
	8.25% EXIM Bank NCD Mat 23-Jun-2031	4	43,43,751	0.01%
	8.90% IDFC First Bank Ltd NCD Mat 28-Apr-2025	4	41,58,883	0.01%
	6.73% IRFC NCD Mat 06-Jul-2035	4	38,82,373	0.01%
	9.45% Power Finance Corporation Ltd. Mat 01-Sep-2026	3	33,54,025	0.01%
	8.50% NHPC NCD Mat 14-July-2024	30	31,86,836	0.01%
	6.89% IRFC NCD Mat 19-Jul-2031	3	29,78,579	0.01%
	8.64% Power Grid NCD Mat 08-Jul-2024	2	26,63,739	0.00%
	8.84% Power Grid NCD Mat 21-Oct-2023	2	26,33,667	0.00%
	8.93% Power Grid NCD Mat 20-Oct-2028	2	22,25,710	0.00%
	8.93% Power Grid NCD Mat 20-Oct-2024	2	21,54,602	0.00%
	9.47% LIC Housing Finance Ltd Mat 23-Aug-2024	2	21,53,940	0.00%
	8.18% EXIM Bank NCD Mat 07-Dec-2025	2	21,46,842	0.00%
	8.11% Rural Electrification Corp Ltd Mat 07-Oct-2025	2	21,26,231	0.00%
	9.55% Hindalco Ind. Ltd. NCD Mat 27-Jun-2022	2	20,23,298	0.00%
	8.50% NHPC NCD Mat 14-July-2023	15	15,61,077	0.00%
	9.30% Power Grid NCD Mat 04-Sep-2024	1	10,84,302	0.00%
	8.75% Rural Electrification Corp Ltd Mat 12-Jul-2025 Option II	1	10,77,677	0.00%



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% of Portfolio
	9.74% Tata Sons Private Ltd NCD Mat 13-Jan-2024	1	10,50,725	0.00%
	8.83% IRFC NCD Mat 25-Mar-2023	1	10,37,667	0.00%
	8.45% Sikka Ports & Terminals Limited NCD Mat 12-Jun-2023	1	10,36,464	0.00%
	7.94% EXIM Bank Mat 22-May-2023	1	10,32,466	0.00%
	8.37% LIC Housing Finance Co. Ltd. Mat-21-May-2023	1	10,32,219	0.00%
	9.50% IL & FS Ltd NCD Mat 28-Jul-2024.*	2,900	-	0.00%
	9.55% IL & FS Ltd NCD Mat 13-Aug-2024.*	2,000	-	0.00%
	8.69% IL & FS Ltd NCD Mat 25-Aug-2025.*	2,000	-	0.00%
<b>Non-convertible Debenture Total</b>		<b>1,78,71,818</b>	<b>50,08,76,60,405</b>	<b>89.95%</b>
Mutual Fund Units	Kotak Overnight Fund -Direct Plan-Growth Option	32,24,830	3,65,59,40,463	6.57%
<b>Mutual Fund Units Total</b>		<b>32,24,830</b>	<b>3,65,59,40,463</b>	<b>6.57%</b>
Fixed Deposits	3.05% Axis Bank FD Mat 07-Apr-2022	51,16,09,000	51,16,09,000	0.92%
<b>Fixed Deposits Total</b>		<b>51,16,09,000</b>	<b>51,16,09,000</b>	<b>0.92%</b>
<b>Not Current Assets</b>		-	<b>1,42,73,14,887</b>	<b>2.56%</b>
<b>Grand Total</b>		<b>53,27,05,648</b>	<b>55,68,25,24,755</b>	<b>100.00%</b>

\* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, 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 no 4 in Notes to Accounts )



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme C Tier I	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I		
	Open	21.4581	19.3693
	High	22.8857	21.4581
	Low	21.4945	18.9924
	End	22.8857	21.4581
2	Closing Assets Under Management (₹ In Lakhs)		
	End	5,56,825.25	3,27,135.79
	Average daily net assets (AAuM) II	4,26,172.22	2,53,026.91
3	Gross income as % of AAuM III	7.54%	9.97%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.10%	0.04%
b	Management fee as % of AAuM (scheme wise) V	0.09%	0.01%
5	Net income as % of AAuM VI	6.24%	9.72%
6	Portfolio turnover ratio VII	84.79%	79.74%
7	Returns (%) * Compounded Annualised Yield VIII		
	Last 1 Year	6.65%	10.78%
	Last 3 Years	9.61%	10.13%
	Last 5 Years	8.65%	9.77%
	Last 10 Years	NA	NA
	Since Launch of the scheme (01/08/2013)	10.02%	10.47%
* Declared NAV; Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (Including applicable Taxes) as per Revenue Account		
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	Returns (%) * Compounded Annualised Yield is to be calculated based on following formula: = ((1 + cumulative return) <sup>n</sup> ) - 1 (where n=365/no. of days)		



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

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

***Contents***

Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme C- Tier II ("the Scheme")**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("Act") ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



### Emphasis of Matter

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

1. We draw attention to note 2.4 in respect of investment in IL&FS group, 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.

### Other Matters

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

### Management's Responsibility for the Financial Statements

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.



- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

*Alpesh Waghele*  
(ALPESH WAGHELA)  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*

UDIN: *22142058ALSUVK9852*

NATIONAL PENSION SYSTEM TRUST

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

BALANCE SHEET AS AT MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme C Tier II	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	1,41,45,02,139	80,17,04,501
Reserves & Surplus	2	1,61,66,27,330	81,34,31,626
Current Liabilities and Provisions	3	1,67,07,989	98,25,911
<b>Total</b>		<b>3,04,78,37,458</b>	<b>1,62,49,62,038</b>
<b>Assets</b>			
Investments	4	2,95,72,16,780	1,57,93,48,866
Deposits	5	54,23,000	-
Other Current Assets	6	8,51,97,678	4,58,13,172
<b>Total</b>		<b>3,04,78,37,458</b>	<b>1,62,49,62,038</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		3,03,11,29,469	1,61,51,36,127
(b) Number of units outstanding		14,14,50,214	8,01,70,450
(c) NAV per unit (a)/(b) (₹)		21.4289	20.1462
<b>Significant accounting policies and notes to accounts</b>	7		

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

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

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela

Partner

Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

Shri Dinesh Kumar Mehrotra  
(Chairman, NPS Trust Board)

Place : MUMBAI

Date :

24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra



Sh.Sashi Krishnan  
(Chief Executive Officer)



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme C Tier II	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Interest		15,98,55,171	7,83,67,871
Profit on sale/redemption of investments		32,12,390	37,84,115
Profit on inter-scheme transfer/sale of investments		-	5,60,785
Unrealised gain on appreciation in investments		33,893	1,38,59,191
Other income			
- Miscellaneous Income		-	354
<b>Total Income (A)</b>		<b>16,31,01,454</b>	<b>9,63,72,316</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		2,23,22,848	-
Loss on sale/redemption of investments		5,92,530	5,31,288
Management fees (including Goods and Service Tax)		20,33,849	1,31,070
NPS Trust fees		1,17,097	55,538
Custodian fees		79,499	36,869
CRA fees		3,67,892	2,07,790
Less : Amount recoverable on sale of units on account of CRA Charges		(3,67,892)	(2,07,790)
Provision for Non-Performing Assets		-	7,50,000
Depository and settlement charges		14,910	6,489
Stamp Duty on Bond/Mutual Fund		-	2,24,977
<b>Total Expenditure (B)</b>		<b>2,61,80,533</b>	<b>17,36,031</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>13,79,40,921</b>	<b>9,46,36,285</b>
Less: Amount transferred to Unrealised appreciation account		2,22,88,955	(1,38,59,191)
Less: Amount transferred to General Reserve		(16,02,29,876)	(8,09,77,094)
<b>Amount carried forward to Balance Sheet</b>		-	-
<b>Significant accounting policies and notes to accounts</b>	7		

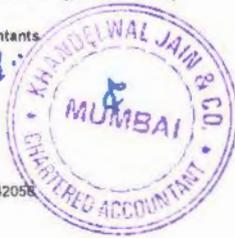
\* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, Provision for Non-Performing Assets includes the 100% provision made for interest due and accrued till the date of NPA classified securities and 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds. (Refer Note no 4 in Notes to Accounts.)

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142056



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date : 24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra

Sh. Sashi Krishnan  
(Chief Executive Officer)



**NATIONAL PENSION SYSTEM TRUST**

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

Schedules forming part of the financial statements

**Schedule 1: Unit capital**

(In ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<b>Unit capital</b>		
Outstanding at the beginning of the year	80,17,04,501	43,29,12,232
Add: Units issued during the year	1,13,21,17,370	62,49,12,638
Less: Units redeemed during the year	(51,93,19,732)	(25,61,20,369)
<b>Outstanding at the end of the year</b>	<b>1,41,46,02,139</b>	<b>80,17,04,801</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	8,01,70,450	4,32,91,223
Add: Units issued during the year	11,32,11,737	6,24,91,264
Less: Units redeemed during the year	(5,19,31,973)	(2,56,12,037)
<b>Outstanding Units at the end of the year</b>	<b>14,14,60,214</b>	<b>8,01,70,460</b>

**Schedule 2: Reserves and surplus**

(In ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	61,06,41,579	25,19,10,597
Add: Premium on Units issued	1,23,27,54,331	60,20,98,041
Less: Premium on Units redeemed	(56,74,99,548)	(24,33,67,059)
Add: Transfer from General Reserve	-	-
Closing balance	<b>1,27,69,96,362</b>	<b>61,06,41,579</b>
<b>General Reserve</b>		
Opening balance	17,15,61,727	9,05,84,633
Add/(Less): Transfer from Revenue Account	16,02,29,876	8,09,77,094
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>33,17,91,603</b>	<b>17,16,61,727</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	3,12,28,320	1,75,69,129
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	(2,22,88,955)	1,36,59,191
Closing balance	<b>89,39,365</b>	<b>3,12,28,320</b>
<b>Total</b>	<b>1,61,66,27,330</b>	<b>81,34,31,626</b>

**Schedule 3: Current liabilities and provisions**

(In ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	2,41,637	66,078
Redemption Payable	1,64,47,504	97,58,492
TDS Payable	18,848	1,341
<b>Total</b>	<b>1,67,07,989</b>	<b>98,28,911</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Debentures and Bonds Listed/Awaiting Listing	2,80,81,18,351	1,52,51,68,396
Provision for Sub Standard Assets *	(10,00,000)	(10,00,000)
Others - Mutual Fund Units	15,00,98,429	5,51,80,470
<b>Total</b>	<b>2,96,72,16,780</b>	<b>1,57,93,48,866</b>

\* Provision for Sub Standard Assets includes the 100% NPA provision made on all IL&FS Ltd. NCD's/Bonds. (Refer Note no 2.4 in Notes to Accounts)

Schedule 5: Deposits

(In ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	54,23,000	-
<b>Total</b>	<b>54,23,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Balances with banks in current account	5,236	4,570
Contracts for sale of investments	1,717	1,717
Interest Receivable on Non-Performing Investments	81,900	81,900
Less: Provision for interest on Non-Performing Investment ^	(81,900)	(81,900)
Outstanding and accrued income	8,51,90,725	4,56,04,885
Brokerage receivable from PFM	-	2,000
<b>Total</b>	<b>8,61,97,678</b>	<b>4,66,13,172</b>

^ Provision for interest on Non-Performing Investment includes 100% provision made for Interest due and accrued till the date of NPA classified securities.



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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) w.e.f April 01, 2019. 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/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.

Incomes on non-performing assets (NPA) are recognized 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01, 2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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

**2.1 Contingent liabilities**

(in ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
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
Ma. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(in ₹)

Nature of Transaction	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Investment management fees	20,33,649	1,31,070

Balances with HDFC Pension Management Company Limited are as follows:

(in ₹)

Nature of Transaction	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Investment management fees payable	2,12,318	41,315

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(in ₹)

Name of the Company	Asset type	Scheme C Tier II			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	NCD	1,08,30,663	1,08,03,738	31,08,360	32,10,031
HDFC Credila Financial Services Ltd	NCD	3,32,84,548	3,43,18,513	3,32,84,548	3,46,80,907
HDFC Ergo General Insurance Company Limited	NCD	5,00,00,050	4,94,64,574	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 March 31, 2022 are as follows:

(in ₹)

Name of the Company	Asset type	Scheme C Tier II			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
	NCD	NIL	NIL	NIL	NIL

**2.4 Provision**

Provision for Interest on Non-Performing Investments has been provided basis the NPS Trust communication ref. 1/16/2018-NPST/11514 dated 06th August 2019. Apart from the stated security, there are no provisions for doubtful deposits, debts and outstanding and accrued income.

Name of the Company	Asset type	March 31, 2022		March 31, 2021	
		Principal	Interest	Principal	Interest
8.66% IL & FS Ltd NCD Mat 25-Aug-2025	NCD	10,00,000	-	10,00,000	-
<b>Total Provision on Non-Performing Investment</b>		<b>10,00,000</b>	<b>-</b>	<b>10,00,000</b>	<b>-</b>

FY 2020 - Rs. 2,50,000 as 25% NPA provision and Rs. 7,50,000 as 75% valuation discount has been provided on IL&FS Ltd. NCD's/Bond during the year ended March 2020. 100% provision made for Interest due and accrued amounting to Rs.81,900 during the year ended March 2020.

FY 2021 - Rs 7,50,000 provided as valuation discount has been classified as NPA provision toward principal during the year ended March 2021



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

Notes to accounts

**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 March 31, 2022 is as follows

(in ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	2,34,19,41,816	1,11,07,60,789
Purchase of Investment	10,22,61,13,212	6,96,73,50,638
% to average Net Assets Value	436.65%	627.26%
Sale of Investment	8,77,11,59,741	6,14,35,28,217
% to average Net Assets Value	374.53%	553.09%

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows

(in ₹)

Particulars	Scheme C Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	2,34,19,41,816	1,11,07,60,789
Purchase of Investment	1,52,50,18,212	82,79,97,314
% to average Net Assets Value	65.12%	74.54%
Sale of Investment	16,24,65,657	3,84,05,580
% to average Net Assets Value	6.94%	3.46%

\*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			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Other Credit Granting	1,03,03,58,759	33.99%	45,80,97,148	28.36%
Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	28,86,27,567	9.52%	14,82,52,455	9.18%
Activities of specialized institutions granting credit for house purchases that also take deposits	25,45,80,051	8.40%	14,21,57,976	8.80%
Electric Power Generation By Coal Based Thermal Power Plants	25,26,59,486	8.34%	9,36,62,224	5.80%
Production of liquid and gaseous fuels, illuminating oils, lubricating oils or greases or other products from crude petroleum or bituminous minerals	20,18,97,407	6.66%	15,09,89,740	9.35%
Electric Power Generation By Hydroelectric Power Plants	16,14,93,472	5.33%	11,49,45,881	7.12%
Other monetary intermediation services n.e.c.	10,03,91,997	3.31%	10,14,60,546	6.28%
Manufacture of other petroleum n.e.c. (includes manufacture of petroleum jelly, micro-crystalline petroleum wax, slack wax, ozokerite, lignite wax, petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals)	8,55,22,863	2.82%	8,83,53,982	5.47%
Others	43,13,86,748	14.23%	22,62,48,443	14.01%
Mutual Funds	15,00,98,430	4.95%	5,51,80,470	3.42%
Fixed Deposits	54,23,000	0.18%		
Net Current Assets	6,84,89,889	2.25%	3,57,87,261	2.22%
<b>Net Asset Value</b>	<b>3,03,11,29,469</b>	<b>100.00%</b>	<b>1,61,61,38,127</b>	<b>100.00%</b>

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 II	
			March 31, 2022	March 31, 2021
			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. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
Non-convertible Debenture	7.02% Bajaj Finance Ltd NCD Mat 18-Apr-2031	128	12,64,91,708	4.17%
	8.70% LIC Housing Finance Ltd. Mat 23-Mar-2029	100	10,83,38,906	3.57%
	6.89% IRFC NCD Mat 19-Jul-2031	100	9,92,85,974	3.28%
	7.38% NHPC NCD Mat 03-January-2028	400	8,25,33,688	2.72%
	6.74% NTPC Series 76 NCD Mat 14-Apr-2032	63	6,19,65,218	2.04%
	8.95% Reliance Industries Limited Mat 09-Nov-2028	50	5,49,85,575	1.81%
	8.75% LIC Housing Finance Co. Ltd. Mat 08-Dec-2028	50	5,42,98,598	1.79%
	8.27% National Highways Authority of India Mat 28-Mar-2029	50	5,36,98,538	1.77%
	7.89% Power Grid NCD Mat 09-Mar-2027	50	5,33,65,081	1.76%
	8.00% ICICI Home Finance Co. Ltd. Mat 05-Dec-2024	100	5,24,46,434	1.73%
	7.70% NHAI Mat 13-Sep-2029	50	5,22,39,376	1.72%
	7.65% Axis Bank Ltd NCD Mat 30-Jan-27	50	5,20,76,203	1.72%
	7.75% Mangalor Refinery & Petrochemicals Ltd. Mat 29-Jan-2030	50	5,14,65,622	1.70%
	8.42% IDFC First Bank Ltd Basel III Tier II SERIES PP 1 NCD Mat 08-Feb-2030	5	5,08,03,075	1.68%
	7.48% Mangalor Refinery & Petrochemicals Ltd. Series 4 ETF 14-Apr-2032	50	5,07,89,166	1.68%
	6.45% L&T Finance Ltd Series A Mat 10-May-2024.	50	5,01,11,855	1.65%
	6.87% Muthoot Finance Ltd. Series 20A Option II Tranche I Mat 27-Feb-2025	50	5,00,41,964	1.65%
	5.85% EXIM Bank NCD Mat 12-Sep-2025	50	4,99,49,248	1.65%
	6.11% Bharat Petroleum Corporation Limited Mat 06-Jul-2025	50	4,98,39,014	1.64%
	6.18% Mangalor Refinery & Petrochemicals Ltd. 29-Dec-2025	50	4,98,03,604	1.64%
	6.24% State Bank of India Basel III Tier-2 NCD Mat 21-Sep-2030.	50	4,97,26,617	1.64%
	7.50% Max Life Insurance Co. Ltd. Mat 02-Aug-2031 Series 1	50	4,96,43,290	1.64%
	6.48% Sundaram Finance Ltd Mat 15-May-2028	50	4,96,03,784	1.64%
	6.85% ICICI Pru Life Insurance Co. Ltd. Mat 05-Nov-2030	50	4,94,99,603	1.63%
	7.10% HDFC ERGO General Insurance Co. Ltd. Mat 09-Nov-2031	50	4,94,64,574	1.63%
	6.67% ICICI Bank Ltd. NCD Mat 26-Nov-2028 Series DNV21LB	50	4,94,15,639	1.63%
	5.45% NTPC Series 72 NCD Mat 15-Oct-2025	50	4,92,33,925	1.62%
	6.80% State Bank of India Basel III Tier 2 Series I Mat 21-Aug-2035.	50	4,91,85,000	1.62%
	6.40% Jamnagar Utilities & Power Pvt. Ltd. Maturity 28-Sep-2028	50	4,91,64,622	1.62%
	6.69% NTPC NCD Mat 13-Sep-2031 SERIES 75	50	4,90,68,042	1.62%
	6.79% NABARD NCD Mat 25-June-2035	50	4,85,11,975	1.60%
	6.85% IRFC NCD Mat 28-Oct-2040	50	4,84,06,060	1.60%
	7.85% Power Finance Corporation Ltd. Mat 03-April-2028	46	4,82,68,881	1.59%
	8.65% NHPC NCD Mat 08-February-2029	45	4,75,09,193	1.57%
	8.79% M&M Financial Services Ltd Mat 23-Jan-2025	32	3,36,10,241	1.11%
	7.70% LIC Housing Finance Co. Ltd. Mat 19-Mar-2031	30	3,09,04,397	1.02%
	8.15% Bajaj Finance Ltd NCD Mat 22-Jun-2027 Tier II SR-220	30	3,07,64,170	1.01%
	8.49% NTPC NCD Mat 25-Mar-2025	22,96,000	3,02,75,745	1.00%
	7.20% Power Finance Corporation Ltd Series 205(A&B) M 10-Aug-2035	24	2,40,46,792	0.79%
	8.65% Power Finance Corporation Ltd S 187(A&B) Mat 25-May-2029	20	2,20,30,876	0.73%
	8.65% Reliance Industries Limited Mat 11-Dec-2028	20	2,17,05,104	0.72%
	7.70 % L&T NCD Mat 28 Apr 2025	20	2,09,31,836	0.69%
	9.30% Shriram Transport Fin NCD Mat 12-July-2023	20,000	2,06,32,876	0.68%
	7.48% NHAI Series-X Mat 06-March-2050	20	2,02,54,632	0.67%
	5.14% NABARD NCD Mat 31-Jan-2024	20	1,99,11,095	0.66%
	8.62% HDFC Credila Fin Ser Pvt Ltd 17-June-2024	18	1,87,84,716	0.62%
	8.80% L&T Finance Ltd Category I & II Mat 15-April-2024.	17,855	1,86,69,095	0.62%
	8.54% NHPC NCD Mat 26-November-2028.	170	1,86,57,044	0.62%
	9.17% Tata Capital Fin Services Ltd Tier II Mat 30-Mar-2026	17	1,79,96,701	0.59%
	8.00% HDFC Credila Fin Ser Pvt Ltd 31-Jan-2025	15	1,55,33,797	0.51%
	8.45% IRFC NCD Mat 04-Dec-2028	14	1,51,69,955	0.50%
	8.45% Sikka Ports & Terminals Limited NCD Mat 12-Jun-2023	14	1,45,10,496	0.48%
	8.14% Nuclear Power Corp. Mat 25-Mar-2026(Tranche A).	13	1,40,04,230	0.46%
	10.04% IRFC NCD Mat 07-Jun-2027	11	1,28,43,171	0.42%
	8.11% Rural Electrification Corp Ltd Mat 07-Oct-2025	12	1,27,57,385	0.42%
	9.25% Power Grid NCD Mat 28-Dec-2026	9	1,26,74,730	0.42%
	8.75% Bajaj Finance Ltd NCD Series 180 Mat 14-Aug-2026	12	1,26,68,401	0.42%
	8.67% IDFC First Bank Ltd NCD Mat 03-Jan-2025	12	1,23,94,441	0.41%
	9.00% NTPC NCD Mat 25-Jan-2026.	50	1,09,86,622	0.36%
	8.80% LIC Housing Finance Ltd. Mat 25-Jan-2029	10	1,08,68,126	0.36%
	8.40% IRFC NCD Mat 08-Jan-2029	10	1,07,86,598	0.36%
	8.20% NABARD NCD Mat 16-March-2028	10	1,07,27,492	0.35%
9.05% L&T Finance Ltd Series VI OPT II Mat 15-Apr-2027	10,000	1,06,89,486	0.35%	
8.20% Power Finance Corporation Ltd. Mat 10-Mar-2025	10	1,05,92,290	0.35%	
8.85% Bajaj Finance Ltd NCD Series 172 Mat 15-Jul-2026	10	1,05,84,392	0.35%	
8.90 State Bank of India NCD Mat 02-Nov-2028	10	1,05,29,597	0.35%	
7.95% LIC Housing Finance Ltd. Mat 29-Jan-2028 Tranch 359	10	1,04,00,335	0.34%	
8.37% LIC Housing Finance Co. Ltd. Mat-21-May-2023	10	1,03,22,187	0.34%	
8.50% NABARD NCD Mat 31-Jan-2023	10	1,02,91,029	0.34%	
9.05% Shriram Transport Fin Series PPD 16-17 D0-4 Mat 19-Jul-2023	10	1,02,90,830	0.34%	
7.60% LIC Housing Finance Co. Ltd. Mat 22-Nov-2022	10	1,01,66,755	0.34%	
8.94% Power Finance Corporation Ltd Series 103 Mat-25-Mar-2028	9	98,52,283	0.33%	



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
	8.83% IRFC NCD Mat 14-May-2031	8	90,37,896	0.30%
	9.46% Power Finance Corporation Ltd. Mat 01-Aug-2026	8	89,31,548	0.29%
	9.05% Reliance Industries Limited Mat 17-Oct-2028	8	88,32,184	0.29%
	9.34% Rural Electrification Corp Ltd Mat 25-Aug-2024	8	86,34,520	0.28%
	8.79% IRFC NCD Mat 04-May-2030	7	78,14,392	0.26%
	9.09% IRFC Ltd NCD Mat 29-Mar-2026 (74th Series)	7	77,62,920	0.26%
	9.05% HDFC Ltd Mat 16-Oct-2028	7	76,97,380	0.25%
	8.98% Power Finance Corporation Ltd. OPT-A Mat-08-Oct-2024	7	75,14,150	0.25%
	8.50% NHPC NCD Mat 14-July-2024	70	74,35,950	0.25%
	7.34% Power Finance Corporation Ltd. Mat 29-Sep-2035	7	70,96,335	0.23%
	8.95% IRFC NCD Mat 10-Mar-2025	6	65,24,766	0.22%
	9.64% Power Grid NCD Mat 31-May-2026	4	56,45,757	0.19%
	8.65% NABARD NCD Mat 08-June-2028	5	54,76,375	0.18%
	8.40% Nuclear Power Corp. Mat 28-Nov-2025 (SR-XXIX TRCH-A)	5	54,19,948	0.18%
	9.60% EXIM Bank NCD Mat 07-FEB-2024	5	53,62,619	0.18%
	8.49% NHPC NCD Mat 26-November-2024	50	53,57,597	0.18%
	7.90% Sikka Ports & Terminals Limited NCD Mat 18-Nov-2028	5	52,29,428	0.17%
	7.55% Power Grid NCD Mat 21-Sep-2031	5	51,86,173	0.17%
	7.23% Power Finance Corporation Ltd Series 155 M 05-Jan-2027	5	51,61,823	0.17%
	9.02% Rural Electrification Corp Ltd Mat 19-Nov-2022	5	51,28,544	0.17%
	9.25% EXIM Bank NCD Mat 18-April-2022	5	50,11,992	0.17%
	9.35% Power Grid NCD Mat 29-Aug-2029	4	45,65,893	0.15%
	8.50% LIC Housing Finance Co. Ltd. Mat 29-Aug-2025	4	42,61,530	0.14%
	8.70% IDFC First Bank Ltd NCD Mat 20-May-2025	4	41,39,427	0.14%
	9.00% Power Finance Corporation Ltd Series 101-B Mat 11-Mar-2028	3	32,90,818	0.11%
	8.52% HUDCO GOI fully serviced Bond Series-II 2018 Mat 28-Nov-2028	3	32,76,415	0.11%
	8.95% Power Finance Corporation Ltd. Series 84-III Mat 30-Mar-2025	3	32,41,195	0.11%
	8.70% Power Finance Corporation Ltd. Mat 14-May-2025	3	32,22,598	0.11%
	8.18% EXIM Bank NCD Mat 07-Dec-2025	3	32,20,263	0.11%
	8.30% Rural Electrification Corp Ltd Mat 10-Apr-2025	3	31,84,774	0.11%
	7.70% Rural Electrification Corp Ltd NCD Mat 10-Dec-2027	3	31,79,281	0.10%
	8.40% Power Grid NCD Mat 27-May-2024	3	31,77,594	0.10%
	8.82% Rural Electrification Corp. Ltd. Mat 12-Apr-2023	3	31,09,110	0.10%
	8.95% HDFC Ltd Mat 21-Mar-2023	3	31,06,358	0.10%
	7.25% Nuclear Power Corp. Mat 15-Dec-2028 (SR-XXXIII TRCH-B)	3	30,92,628	0.10%
	9.30% Power Grid NCD Mat 04-Sep-2024	2	21,68,604	0.07%
	9.17% NTPC NCD Mat 22-Sep-2024	2	21,65,312	0.07%
	9.37% Power Finance Corporation Ltd. Mat 19-Aug-2024	2	21,59,091	0.07%
	8.80% Power Finance Corporation Ltd. Mat 15-Jan-2025	2	21,42,444	0.07%
	8.39% Power Finance Corporation Ltd. Mat-19-Apr-2025	2	21,29,271	0.07%
	8.60% Power Finance Corporation Ltd. Mat 07-Aug-2024 Series 57 B III	2	21,24,132	0.07%
	8.34% LIC Housing Finance Co. Ltd. Mat 08-Oct-2025	2	21,23,420	0.07%
	8.94% Bajaj Finance Ltd NCD Mat 07-Nov-2025	2	21,23,274	0.07%
	9.17% IDFC First Bank Ltd NCD Mat 14-Oct-2024	2	20,92,972	0.07%
	8.90% IDFC First Bank Ltd NCD Mat 19-Nov-2025	2	20,84,194	0.07%
	8.80% IDFC First Bank Ltd NCD Mat 21-July-2025	2	20,72,914	0.07%
	8.75% IDFC First Bank Ltd NCD Mat 28-Jul-2023	2	20,52,876	0.07%
	7.25% Nuclear Power Corp. Mat 15-Dec-2031 (SR-XXXIII TRCH-E)	2	20,52,627	0.07%
	9.95% IRFC NCD Mat 07-June-2022	2	20,21,667	0.07%
	9.30% Power Grid NCD Mat 28-Jun-2026	1	13,95,480	0.05%
	8.83% IRFC NCD Mat 14-May-2034	1	11,53,297	0.04%
	9.45% Power Finance Corporation Ltd. Mat 01-Sep-2026	1	11,18,008	0.04%
	8.62% NABARD NCD Mat 14-Mar-2034	1	11,17,082	0.04%
	8.32% NABARD NCD Mat 10-March-2034	1	11,09,090	0.04%
	8.20% NABARD NCD Mat 28-Mar-2034	1	10,99,787	0.04%
	8.25% EXIM Bank NCD Mat 23-Jun-2031	1	10,85,938	0.04%
	10.15% Bajaj Finance Ltd NCD Mat 19-Sep-2024	1	10,84,312	0.04%
	8.32% Power Grid NCD Mat 23-Dec-2030	1	10,84,218	0.04%
	9.39% Power Finance Corporation Ltd. Mat 27-Aug-2024	1	10,80,654	0.04%
	8.75% Power Finance Corporation Ltd. Mat 15-Jun-2025	1	10,77,370	0.04%
	8.24% NABARD NCD Mat 22-March-2029	1	10,76,431	0.04%
	8.14% Nuclear Power Corp. Mat 25-Mar-2027 (Tranche B)	1	10,72,867	0.04%
	9.22% LIC Housing Finance Co. Ltd. Mat 15-Oct-2024	1	10,72,017	0.04%
	8.15% NABARD NCD Mat 28-March-2029	1	10,71,642	0.04%
	8.10% EXIM Bank NCD Mat 19-Nov-2025	1	10,69,972	0.04%
	8.48% Power Finance Corporation Ltd. Series 124 C Mat 09-Dec-2024	1	10,66,053	0.04%
	10.25% Shriram Transport Fin NCD Mat 10-Oct-2024	1	10,65,457	0.04%
	10% Shriram Transport Fin NCD Mat 13-Nov-2024	1	10,61,984	0.04%
	8.75% M&M Financial Services Ltd Mat 09-Oct-2025	1	10,60,215	0.03%
	8.27% Rural Electrification Corp Ltd Mat 06-Feb-2025	1	10,59,666	0.03%
	8.23% Rural Electrification Corp Ltd Mat 23-Jan-2025	1	10,57,953	0.03%



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
	9.36% IDFC First Bank Ltd NCD Mat 21-Aug-2024	1	10,48,011	0.03%
	9.30% LIC Housing Finance Ltd. Mat 14-Sep-2022	1	10,20,041	0.03%
	9.69% Tata Sons Private Ltd NCD Mat 12-Jun-2022	1	10,09,145	0.03%
	8.73% IDFC First Bank Ltd NCD Mat 14-Jun-2022	1	10,06,601	0.03%
	9.48% Power Finance Corporation Ltd. Mat 15-April-2022	1	10,02,085	0.03%
	8.69% IL & FS Ltd NCD Mat 25-Aug-2025.*	1,000	-	0.00%
<b>Non-convertible Debenture Total</b>		<b>23,48,131</b>	<b>2,80,71,18,351</b>	<b>92.61%</b>
Mutual Fund Units	Kotak Overnight Fund -Direct Plan-Growth Option	1,32,399	15,00,98,430	4.95%
<b>Mutual Fund Units Total</b>		<b>1,32,399</b>	<b>15,00,98,430</b>	<b>4.95%</b>
Fixed Deposits	2.50% Axis Bank FD Mat 07-Apr-2022	54,23,000	54,23,000	0.18%
<b>Fixed Deposits Total</b>		<b>54,23,000</b>	<b>54,23,000</b>	<b>0.18%</b>
<b>Net Current Assets</b>		<b>-</b>	<b>6,84,89,689</b>	<b>2.26%</b>
<b>Grand Total</b>		<b>79,03,530</b>	<b>3,03,11,29,469</b>	<b>100.00%</b>

\* As per the NPS Trust communication ref: 1/16/2018-NPST/11514, 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 no 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 YEAR ENDED MARCH 31, 2022

Sr No	Particulars	SCHEME C TIER II	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I		
	Open	20.1462	18.3172
	High	21.4289	20.1535
	Low	20.1810	17.9687
	End	21.4289	20.1462
2	Closing Assets Under Management (₹ in Lakhs)		
	End	30,311.29	16,151.36
	Average daily net assets (AAuM) II	23,419.42	11,107.61
3	Gross income as % of AAuM III	6.96%	8.68%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.10%	0.04%
b	Management fee as % of AAuM (scheme wise) V	0.09%	0.01%
5	Net income as % of AAuM VI	5.89%	8.52%
6	Portfolio turnover ratio VII	6.94%	3.46%
7	Returns (%) * Compounded Annualised Yield VIII		
	Last 1 Year	8.37%	9.99%
	Last 3 Years	9.39%	9.93%
	Last 5 Years	8.54%	9.74%
	Last 10 Years	NA	NA
	Since Launch of the scheme (01/08/2013)	9.19%	9.56%
	* Declared NAV, Returns calculated based on declared NAV		
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (Including applicable Taxes) as per Revenue Account		
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	Returns (%) * 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**

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

***Contents***

Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



6-B&C, Pil Court, 6th Floor,  
111, M. Karve Road, Churchgate,  
Mumbai - 400 020.  
Tel.: (+91-22) 4311 5000  
Fax : 4311 5050

12-B, Baldota Bhavan, 5th Floor,  
117, M. Karve Road, Churchgate,  
Mumbai - 400 020.  
Tel.: (+91-22) 4311 6000  
Fax : 4311 6060

### INDEPENDENT AUDITORS' REPORT

To,  
The Trustees,  
National Pension System Trust

#### Report on the audit of Financial Statements

##### Opinion

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme G- Tier I ("the Scheme")**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

##### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("Act") ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



### Other Matters

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

### Management's Responsibility for the Financial Statements

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.



- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

*Alpesh*

(ALPESH WAGHELA)  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*

UDIN: *22142058 ALSVWK9852*

NATIONAL PENSION SYSTEM TRUST

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

BALANCE SHEET AS AT MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme G Tier I	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	40,92,54,03,918	24,91,18,06,022
Reserves & Surplus	2	48,90,67,73,783	27,84,94,34,848
Current Liabilities and Provisions	3	8,70,48,219	29,39,57,508
<b>Total</b>		<b>89,91,92,25,920</b>	<b>53,05,51,98,378</b>
<b>Assets</b>			
Investments	4	87,17,46,99,560	51,91,24,66,347
Deposits	5	90,14,16,000	-
Other Current Assets	6	1,84,31,10,360	1,14,27,32,031
<b>Total</b>		<b>89,91,92,25,920</b>	<b>53,05,51,98,378</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		89,83,21,77,701	52,76,12,40,870
(b) Number of units outstanding		4,09,25,40,392	2,49,11,80,602
(c) NAV per unit (a)/(b) (₹)		21.9502	21.1792
<b>Significant accounting policies and notes to accounts</b>	7		

The notes referred to above form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For Khandelwal Jain & Co. (FRN: 105049W)

Chartered Accountants

Alpesh Waghele  
Partner  
Membership No. 142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date : 24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra

Sh. Sashi Krishnan  
(Chief Executive Officer)



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme G Tier I	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Interest		4,61,67,27,733	2,71,93,03,309
Profit on sale/redemption of investments		20,35,44,231	1,28,33,96,002
Unrealised gain on appreciation in investments		26,89,511	14,57,04,024
Other income		-	67,070
- Miscellaneous Income		-	67,070
<b>Total Income (A)</b>		<b>4,82,29,61,475</b>	<b>4,14,84,70,405</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		1,47,84,81,589	1,17,73,53,951
Loss on sale/redemption of investments		99,83,13,082	15,35,10,448
Management fees (including Goods and Service Tax)		6,01,73,835	48,20,420
NPS Trust fees		34,61,262	20,42,551
Custodian fees		26,18,634	14,53,689
CRA fees		2,97,73,623	2,48,91,290
Less : Amount recoverable on sale of units on account of CRA Charges		(2,97,73,623)	(2,48,91,290)
Depository and settlement charges		20,49,204	18,77,807
Stamp Duty on Bond/Mutual Fund		-	46,80,737
<b>Total Expenditure (B)</b>		<b>2,54,80,97,608</b>	<b>1,34,55,39,601</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>2,27,78,63,869</b>	<b>2,80,29,30,804</b>
Less: Amount transferred to Unrealised appreciation account		21,97,27,100	49,74,92,868
Less: Amount transferred to General Reserve		(2,49,75,90,989)	(3,30,04,23,670)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
Significant accounting policies and notes to accounts	7		

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

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

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No. 142058



Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagen Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai  
Date :

Place : Mumbai  
Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date : 24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra



Sh. Sashi Krishnan  
(Chief Executive Officer)



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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<b>Unit capital</b>		
Outstanding at the beginning of the year	24,91,18,06,022	16,25,32,63,719
Add: Units issued during the year	19,25,13,34,385	9,96,49,20,163
Less: Units redeemed during the year	(3,23,77,36,489)	(1,30,63,77,860)
<b>Outstanding at the end of the year</b>	<b>40,92,64,03,918</b>	<b>24,91,18,06,022</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	2,49,11,80,602	1,62,53,26,372
Add: Units issued during the year	1,92,51,33,440	99,64,92,016
Less: Units redeemed during the year	(32,37,73,649)	(13,06,37,787)
<b>Outstanding Units at the end of the year</b>	<b>4,09,25,40,392</b>	<b>2,49,11,80,602</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	20,09,36,23,463	10,63,86,87,680
Add: Premium on Units issued	22,57,10,35,826	10,86,81,01,810
Less: Premium on Units redeemed	(3,79,15,60,760)	(1,41,31,66,027)
Add: Transfer from General Reserve	-	-
Closing balance	<b>38,87,30,98,529</b>	<b>20,09,36,23,463</b>
<b>General Reserve</b>		
Opening balance	7,53,33,94,774	4,23,29,71,104
Add/(Less): Transfer from Revenue Account	2,49,75,90,969	3,30,04,23,670
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>10,03,09,85,743</b>	<b>7,53,33,94,774</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	22,24,16,611	71,99,09,477
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	(21,97,27,100)	(49,74,92,866)
Closing balance	<b>26,69,611</b>	<b>22,24,16,611</b>
<b>Total</b>	<b>48,90,67,73,783</b>	<b>27,84,94,34,648</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	76,00,337	25,37,135
Contract for Purchase of Investments	-	23,66,58,153
Redemption Payable	7,88,90,370	5,47,10,116
TDS Payable	5,57,512	52,104
<b>Total</b>	<b>8,70,48,219</b>	<b>29,39,67,608</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Debentures and Bonds Listed/Awaiting Listing	2,87,83,02,763	3,32,45,64,028
Central and state government securities (including treasury bills )	80,11,19,29,384	48,11,68,30,873
Others - Mutual Fund Units	4,18,44,67,413	47,10,71,448
<b>Total</b>	<b>87,17,46,99,560</b>	<b>51,91,24,66,347</b>

Schedule 5: Deposits

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	90,14,16,000	-
<b>Total</b>	<b>90,14,16,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Balances with banks in current account	75,00,25,395	25,266
Outstanding and accrued income	1,09,30,84,965	54,26,90,285
Brokerage receivable from PFM	-	16,500
Sundry debtors	-	60,00,00,000
<b>Total</b>	<b>1,84,31,10,360</b>	<b>1,14,27,32,031</b>



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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, KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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) w.e.f April 01, 2019. 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 recognized 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01,2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
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 Padaikar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriyani Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(In ₹)

Nature of Transaction	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Investment management fees	6,01,73,835	48,20,420

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Investment management fees payable	61,64,364	13,83,738

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme G Tier I			
		March 31, 2022		March 31, 2021	
		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 March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme G Tier I			
		March 31, 2022		March 31, 2021	
		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 March 31, 2022 is as follows:

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	69,22,50,59,876	40,85,10,07,951
Purchase of Investment	2,76,91,60,81,233	2,16,06,42,31,870
% to average Net Assets Value	400.02%	528.91%
Sale of Investment	2,35,13,22,27,477	1,95,52,82,80,995
% to average Net Assets Value	339.66%	478.64%



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

Notes to accounts

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows :

(In ₹)

Particulars	Scheme G Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	69,22,50,59,876	40,85,10,07,951
Purchase of Investment	1,00,61,53,04,233	82,62,98,55,412
% to average Net Assets Value	145.35%	202.27%
Sale of Investment	62,51,34,80,458	62,18,04,81,878
% to average Net Assets Value	90.30%	152.21%

\*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			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Central Government Securities	69,91,88,41,793	77.83%	37,91,02,40,603	71.85%
State Development Loans	10,19,30,87,592	11.35%	10,20,65,90,271	19.34%
Others	2,87,83,02,762	3.20%	3,32,45,64,026	6.30%
Mutual Funds	4,18,44,67,413	4.66%	47,10,71,446	0.89%
Fixed Deposits	90,14,16,000	1.00%		
Net Current Assets	1,75,60,62,141	1.95%	84,87,74,523	1.61%
<b>Net Asset Value</b>	<b>89,83,21,77,701</b>	<b>100.00%</b>	<b>52,76,12,40,870</b>	<b>100.00%</b>

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 G Tier I	
			March 31, 2022	March 31, 2021
			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 I

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
Government Securities	6.64% GOI Mat 16-Jun-2035	11,60,00,000	11,10,72,55,200	12.36%
	6.10% GOI Mat 12-Jul-2031	10,40,00,000	9,87,39,47,200	10.99%
	7.26% GOI Mat 14-Jan-2029	7,95,00,000	8,18,94,61,950	9.12%
	6.22% GOI Mat 16-Mar-2035	6,01,86,000	5,58,52,72,837	6.22%
	6.19% GOI Mat 16-Sep-2034	4,20,00,000	3,89,81,50,200	4.34%
	6.67% GOI Mat 17-Dec-2050	3,46,05,000	3,21,73,65,270	3.58%
	7.95% GOI Mat 28-Aug-2032	2,94,98,000	3,15,30,88,417	3.51%
	7.57% GOI Mat 17-June-2033	2,82,00,000	2,94,26,61,280	3.28%
	4.56% GOI Mat 29-Nov-2023	2,00,00,000	1,99,01,82,000	2.22%
	8.83% GOI Mat 12-Dec-2041	1,48,76,600	1,74,23,32,515	1.94%
	Gsec C-STRIPS Mat 17-Jun-2027	2,31,87,100	1,66,73,47,262	1.86%
	7.88%GOI Mat 19-Mar-2030	1,41,60,700	1,50,38,66,340	1.67%
	Gsec C-STRIPS Mat 17-Dec-2027	1,69,69,200	1,17,17,62,289	1.30%
	9.20% GOI Mat 30-Sep-2030	74,51,400	85,35,94,382	0.95%
	8.17% GOI Mat 01-Dec-2044	71,18,000	78,79,08,503	0.88%
	Gsec C-STRIPS Mat 22-Aug-2029	1,31,14,400	78,38,89,654	0.87%
	8.28% GOI Mat 15-Feb-2032	71,48,800	78,07,47,613	0.87%
	6.76% GOI Mat 22-Feb-2061	75,00,000	70,16,22,000	0.78%
	7.40% GOI Mat 09-Sep-2035	63,48,300	64,89,53,698	0.72%
	Gsec C-STRIPS Mat 17-June-2028	76,02,300	50,06,60,870	0.56%
	Gsec C-STRIPS Mat 15-Jun-2027	61,11,800	43,96,44,388	0.49%
	Gsec C-STRIPS Mat 15-Sep-2027	60,09,900	42,19,41,256	0.47%
	Gsec C-STRIPS Mat 22-Aug-2028	64,85,000	42,19,17,991	0.47%
	Gsec C-STRIPS Mat 22-Feb-2028	60,16,400	40,48,34,531	0.45%
	7.06% GOI Mat 10-Oct-2045	40,50,000	39,91,29,930	0.44%
	7.61% GOI Mat 09-May-2030	35,81,000	37,48,94,532	0.42%
	8.80% GOI Mat 02-Jun-2028	26,63,800	29,24,96,838	0.33%
	Gsec C-STRIPS Mat 22-Aug-2027	40,01,200	28,20,83,000	0.31%
	Gsec C-STRIPS Mat 15-Dec-2027	40,71,800	28,12,68,543	0.31%
	Gsec C-STRIPS Mat 15-Jun-2028	40,71,800	26,82,54,663	0.30%
	7.16% GOI Mat 20-Sep-2050	25,00,000	24,75,61,500	0.28%
	Gsec C-STRIPS Mat 22-Feb-2029	35,15,200	21,75,66,274	0.24%
	Gsec C-STRIPS Mat 16-Jun-2027	30,02,400	21,59,35,610	0.24%
	8.30% GOI Mat 02-Jul-2040	18,89,000	20,95,87,950	0.23%
	Gsec C-STRIPS Mat 16-Dec-2027	30,02,400	20,73,59,655	0.23%
	7.17% GOI Mat 08-Jan-2028	20,00,000	20,60,01,200	0.23%
	6.99% GOI Mat 15-Dec-2051	20,63,300	19,96,12,102	0.22%
	Gsec C-STRIPS Mat 15-Dec-2028	30,71,800	19,56,73,353	0.22%
	8.13% GOI Mat 22-Jun-2045	17,64,600	19,47,14,081	0.22%
	Gsec C-STRIPS Mat 23-Dec-2026	25,84,400	19,29,34,505	0.21%
	8.28% GOI Mat 21-Sep-2027	17,33,700	18,79,45,736	0.21%
	8.97% GOI Mat 05-Dec-2030	15,74,000	17,83,74,652	0.20%
	Gsec C-STRIPS Mat 15-Jun-2026	20,40,000	15,80,66,748	0.18%
	7.19% GOI Mat 15-Sep-2060	15,00,000	14,79,82,650	0.16%
	Gsec C-STRIPS Mat 15-Mar-2027	15,09,800	11,03,47,569	0.12%
	8.30% GOI Mat 31-Dec-2042	9,76,100	10,92,37,986	0.12%
	7.59% GOI Mat 20-Mar-2029	9,50,000	9,93,45,965	0.11%
	8.24% GOI Mat 10-Nov-2033	8,46,200	9,27,01,041	0.10%
	Gsec C-STRIPS Mat 22-Feb-2027	10,01,200	7,34,67,255	0.08%
	Gsec C-STRIPS Mat 10-Feb-2027	8,62,500	6,34,23,420	0.07%
Gsec C-STRIPS Mat 10-Aug-2027	8,62,500	6,09,37,609	0.07%	
8.33% GOI Mat 09-Jul-2026	4,87,100	5,24,65,638	0.06%	
8.33% GOI Mat 07-June-2036	4,73,400	5,24,26,683	0.06%	
8.20% GOI Mat 24-Sep-2025	4,72,400	5,05,46,647	0.06%	
7.37% GOI Mat 16-Apr-2023	4,91,400	5,04,90,416	0.06%	
7.72% GOI Mat 26-Oct-2055	4,47,400	4,71,76,093	0.05%	
7.69% GOI Mat 17-June-2043	4,27,600	4,49,80,954	0.05%	
8.15% GOI Mat 24-Nov-2026	3,89,100	4,18,80,195	0.05%	
Gsec C-STRIPS Mat 12-Jun-2026	5,29,800	4,10,71,632	0.05%	
Gsec C-STRIPS Mat 12-Dec-2026	5,29,800	3,96,28,338	0.04%	
Gsec C-STRIPS Mat 26-Apr-2027	5,40,400	3,92,09,803	0.04%	
Gsec C-STRIPS Mat 17-Dec-2028	6,02,300	3,83,52,055	0.04%	
Gsec C-STRIPS Mat 12-Jun-2027	5,29,800	3,81,30,607	0.04%	
7.63% GOI Mat 17-June-2059	3,61,000	3,79,51,589	0.04%	
Gsec C-STRIPS Mat 26-Oct-2027	5,40,400	3,76,60,692	0.04%	
Gsec C-STRIPS Mat 12-Dec-2027	5,29,800	3,66,16,915	0.04%	
Gsec C-STRIPS Mat 12-Jun-2028	5,29,800	3,49,23,409	0.04%	
Gsec C-STRIPS Mat 12-Dec-2028	5,29,800	3,37,67,121	0.04%	
Gsec C-STRIPS Mat 12-Jun-2029	5,29,800	3,20,99,946	0.04%	
Gsec C-STRIPS Mat 12-Dec-2029	5,29,800	3,10,00,558	0.03%	
7.50% GOI Mat 10-Aug-2034	2,80,000	2,89,75,492	0.03%	
6.68% GOI Mat 17-Sep-2031	2,30,600	2,27,84,802	0.03%	
Gsec C-STRIPS Mat 17-Dec-2026	1,93,900	1,44,90,263	0.02%	
9.23% GOI Mat 23-Dec-2043	1,00,100	1,22,13,691	0.01%	
6.57% GOI Mat 05-Dec-2033	1,21,700	1,17,15,353	0.01%	
8.32% GOI Mat 02-Aug-2032	88,900	97,14,965	0.01%	
8.24% GOI Mat 15-Feb-2027	77,700	83,98,804	0.01%	
7.73% GOI Mat 19-Dec-2034	39,700	41,68,925	0.00%	
Gsec C-STRIPS Mat 15-Dec-2026	40,000	29,90,252	0.00%	
8.26% GOI Mat 02-Aug-2027	24,900	26,91,680	0.00%	
8.40% GOI Mat 28-Jul-2024	10,600	11,28,758	0.00%	
7.72% GOI Mat 25-May-2025	10,000	10,58,501	0.00%	
7.16% GOI Mat 20-May-2023	1,300	1,33,510	0.00%	
<b>Government Securities Total</b>		<b>73,64,68,000</b>	<b>68,95,61,64,793</b>	<b>76.78%</b>



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrp Name	Quantity	Market Value	% ofPortfolio	
State Development Loans	6.73% Tamil Nadu SDL Mat 13-May-2030	1,30,00,000	1,27,37,25.700	1.42%	
	5.80% Maharashtra SDL Mat 02-Feb-2025	1,00,71,300	1,00,72,95.169	1.12%	
	6.87% Maharashtra SDL 2030	94,44,300	93,19,05.914	1.04%	
	6.90% Gujrat SDL Mat 31-Mar-2030	78,46,500	77,75,43.425	0.87%	
	8.16% Karnataka SDL Mat 26-Nov-2025	70,00,000	74,85,20.500	0.83%	
	8.25% Gujrat SDL Mat 25-Apr-2028	60,00,000	63,92,12.400	0.71%	
	7.18% Maharashtra SDL Mat 28-June-2029	60,00,000	60,52,80.800	0.67%	
	6.66% Tamil Nadu SDL Mat 26-Aug-2030	50,00,000	48,68,31.000	0.54%	
	8.08% Maharashtra SDL Mat 26-Dec-2028	44,82,300	47,40,23.395	0.53%	
	6.60% Tamil Nadu SDL Mat 24-June-2029	36,25,000	35,41,37.488	0.39%	
	6.81% Maharashtra SDL Mat 07-Oct-2028	35,00,000	34,83,67.250	0.39%	
	8.16% Gujrat SDL Mat 09-May-2028	25,00,000	26,53,09.750	0.30%	
	6.95% Tamil Nadu SDL Mat 17-Feb-2031	25,00,000	24,73,72.250	0.28%	
	7.10% Maharashtra SDL Mat 04-Aug-2036	20,00,000	19,80,26.400	0.22%	
	7.83% Maharashtra SDL Mat 08-Apr-2030	14,30,800	14,93,76.808	0.17%	
	7.60% Maharashtra SDL Mat 15-Apr-2030	10,00,000	10,30,17.000	0.11%	
	7.28% Gujrat SDL Mat 18-Dec-2029	10,00,000	10,12,75.100	0.11%	
	7.20% Maharashtra SDL Mat 23-Oct-2029	10,00,000	10,06,02.900	0.11%	
	8.53% Tamil Nadu SDL Mat 28-Nov-2028	7,44,200	8,03,39.813	0.09%	
	8.38% Gujrat SDL Mat 27-Feb-2029	7,00,000	7,51,66.420	0.08%	
	8.30% Gujrat SDL Mat 06-Feb-2029	7,00,000	7,48,29.300	0.08%	
	9.53% Gujrat SDL Mat 12-Feb-2024	7,00,000	7,48,26.640	0.08%	
	7.05% MAHARASHTRA SDL 2032	6,43,200	6,37,09.668	0.07%	
	7.65% Tamil Nadu SDL Mat 05-Dec-2027	6,00,000	6,26,16.180	0.07%	
	8.37% Tamil Nadu SDL Mat 05-Dec-2028	5,73,600	6,14,50.571	0.07%	
	8.61% Tamil Nadu SDL Mat 03-Sep-2027	5,00,000	5,45,79.550	0.06%	
	8.35% Gujrat SDL Mat 06-Mar-2029	5,00,000	5,36,20.750	0.06%	
	9.63% Maharashtra SDL Mat 12-Feb-2024	5,00,000	5,35,34.500	0.06%	
	9.24% Maharashtra SDL Mat 16-Jan-2024	5,00,000	5,30,64.300	0.06%	
	8.17% Gujrat SDL Mat 19-Dec-2028	5,00,000	5,30,53.650	0.06%	
	8.05% Tamil Nadu SDL Mat 18-April-2028	5,00,000	5,28,23.750	0.06%	
	7.78% Maharashtra SDL Mat 24-Mar-2029	5,00,000	5,21,49.100	0.06%	
	7.26% Gujrat SDL Mat 11-Dec-2029	5,00,000	5,05,78.100	0.06%	
	7.96% Maharashtra SDL Mat 28-Jun-2026	4,70,000	4,99,08.078	0.08%	
	8.60% Gujrat SDL Mat 17-Oct-2028	4,55,100	4,93,74.345	0.05%	
	8.36% Maharashtra SDL Mat 27-Jan-2026	4,60,000	4,93,54.596	0.05%	
	8.47% Maharashtra SDL Mat 10-Feb-2026	4,50,000	4,84,77.240	0.05%	
	6.82% Maharashtra SDL Mat 05-May-2032	4,88,700	4,76,52.502	0.05%	
	6.63% Tamil Nadu SDL Mat 23-Dec-2035	5,00,000	4,75,34.350	0.05%	
	6.67% Maharashtra SDL Mat 24-Feb-2026	3,00,000	3,25,44.210	0.04%	
	6.65% Gujrat SDL Mat 10-Oct-2028	2,50,000	2,71,83.025	0.03%	
	8.47% Gujrat SDL Mat 21-Aug-2028	2,00,000	2,15,32.220	0.02%	
	8.18% Tamil Nadu SDL Mat 19-Dec-2028	2,00,000	2,12,32.020	0.02%	
	6.53% Tamil Nadu SDL Mat 06-Jan-2031	1,45,100	1,39,66.325	0.02%	
	8.72% Andhra Pradesh SDL Mat 24-Feb-2026	1,00,000	1,08,57.940	0.01%	
	7.18% Tamil Nadu SDL Mat 26-July-2027	1,00,000	1,02,81.950	0.01%	
	8.00% Tamil Nadu SDL Mat 28-Oct-2025	80,000	85,09.032	0.01%	
	8.50% Gujrat SDL Mat 28-Nov-2028	89,600	75,02.699	0.01%	
	8.24% Andhra Pradesh SDL Mat 09-Sep-2025	43,300	48,27.804	0.01%	
	8.44% Tamil Nadu SDL Mat 26-Nov-2024	40,500	43,12.250	0.00%	
	7.17% Maharashtra SDL Mat 16-Oct-2029	40,000	40,25.216	0.00%	
	8.17% Tamil Nadu SDL Mat 26-Nov-2025	24,600	26,31.309	0.00%	
	9.49% Tamil Nadu SDL Mat 18-Dec-2023	10,000	10,69.352	0.00%	
	9.39% Maharashtra SDL Mat 20-Nov-2023	10,000	10,64.803	0.00%	
	9.77% Andhra Pradesh SDL Mat 28-Aug-2023	10,000	10,60.985	0.00%	
	<b>State Development Loans Total</b>		<b>10,05,08,100</b>	<b>10,19,30,87,592</b>	<b>11.35%</b>
	Other Securities, whose principal and interest is guaranteed	6.79% BSNL NCD (GOI Guranteed) Mat 23.09.2030	1,500	1,48,00,17.084	1.65%
		6.65% Food Corporation of India Ltd Mat 23-Oct-2030	1,300	1,26,66,79.907	1.41%
		8.95% Food Corporation of India Ltd Mat 01-Mar-2029	80	8,78,08.881	0.10%
		7.64% Food Corporation of India Ltd Mat 12-Dec-2029	33	3,39,92.097	0.04%
8.80% Food Corporation of India Ltd Mat 22-Mar-2028		9	98,04,793	0.01%	
<b>Other Securities Total</b>		<b>2,922</b>	<b>2,87,83,02,762</b>	<b>3.20%</b>	
Mutual Fund Units	Aditya Birla Sun Life Overnight Fund - Growth -Direct Plan	28,17,326	3,23,87,30,232	3.61%	
	Invesco India Overnight Fund - Direct Plan - Growth	8,80,331	94,57,37,181	1.05%	
<b>Mutual Fund Units Total</b>		<b>36,97,658</b>	<b>4,18,44,67,413</b>	<b>4.66%</b>	
Fixed Deposits	3.05% Axis Bank FD Mat 07-Apr-2022	90,14,16,000	90,14,16,000	1.00%	
<b>Fixed Deposits Total</b>		<b>90,14,16,000</b>	<b>90,14,16,000</b>	<b>1.00%</b>	



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% of Portfolio
Treasury Bills	364 Day Tbill Mat 16-Feb-2023	1,00,00,000	96,26,77,000	1.07%
<b>Treasury Bills Total</b>		<b>1,00,00,000</b>	<b>96,26,77,000</b>	<b>1.07%</b>
<b>Net Current Assets</b>		<b>-</b>	<b>1,75,60,62,141</b>	<b>1.95%</b>
<b>Grand Total</b>		<b>1,75,20,92,680</b>	<b>89,83,21,77,701</b>	<b>100.00%</b>



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme G Tier I	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I		
	Open	21.1792	19.5928
	High	22.1420	21.5426
	Low	21.2262	19.2216
	End	21.9502	21.1792
2	Closing Assets Under Management (₹ in Lakhs)		
	End	8,98,321.78	5,27,812.41
	Average daily net assets (AAuM) II	6,92,250.60	4,08,510.05
3	Gross income as % of AAuM III	6.97%	10.16%
4	Expense ratio		
a	Total expense as % of AAuM (scheme wise) IV	0.10%	0.04%
b	Management fee as % of AAuM (scheme wise) V	0.09%	0.01%
5	Net income as % of AAuM VI	3.29%	6.86%
6	Portfolio turnover ratio VII	90.30%	152.21%
7	Returns (%) * Compounded Annualised Yield VIII		
	Last 1 Year	3.64%	8.10%
	Last 3 Years	6.95%	10.93%
	Last 5 Years	8.14%	9.89%
	Last 10 Years	NA	NA
	Since Launch of the scheme (01/08/2013)	9.49%	10.28%
* Declared NAV; Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (including applicable Taxes) as per Revenue Account		
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	Returns (%) * Compounded Annualised Yield is to be calculated based on following formula: = ((1+ cumulative return) <sup>n</sup> ) - 1 (where n=365/no. of days)		



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

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

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Revenue Account

Accounting Policies and Notes to Accounts



**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme G- Tier II ("the Scheme")**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 ("Act") ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



**Other Matters**

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

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

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a Whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.



- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.
- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For **KHANDELWAL JAIN & CO.**  
Chartered Accountants  
Firm Registration No. **105049W**

*Alpesh Waghele*  
(ALPESH WAGHELA)  
PARTNER  
Membership No.142058  
Place: Mumbai



Date: *June 27, 2022*  
UDIN: *22142058 ALSVWK9852*

**NATIONAL PENSION SYSTEM TRUST**

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

**BALANCE SHEET AS AT MARCH 31, 2022**

(In ₹)

Particulars	Schedule	Scheme G Tier II	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	1,92,46,77,915	1,22,40,54,544
Reserves & Surplus	2	2,35,83,26,861	1,39,94,24,211
Current Liabilities and Provisions	3	3,78,58,795	4,18,28,680
<b>Total</b>		<b>4,32,08,63,571</b>	<b>2,66,53,07,435</b>
<b>Assets</b>			
Investments	4	4,15,00,69,807	2,62,35,47,802
Deposits	5	82,43,000	-
Other Current Assets	6	16,25,50,764	4,17,59,633
<b>Total</b>		<b>4,32,08,63,571</b>	<b>2,66,53,07,435</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		4,28,30,04,776	2,62,34,78,755
(b) Number of units outstanding		19,24,67,791	12,24,05,454
(c) NAV per unit (a)/(b) (₹)		22.2530	21.4326
<b>Significant accounting policies and notes to accounts</b>	7		

The notes referred to above form an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**

Date : **24<sup>th</sup> JUNE 2022**

Sh.Sashi Krishnan  
(Chief Executive Officer)



**Shri Dinesh Kumar Mehrotra**



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme G Tier II	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Interest		23,71,28,095	12,06,23,800
Profit on sale/redemption of investments		27,86,574	17,42,287
Unrealised gain on appreciation in investments		1,46,340	52,31,561
Other income		-	-
- Miscellaneous Income		-	2,347
<b>Total Income (A)</b>		<b>24,00,61,009</b>	<b>12,76,99,995</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		11,03,83,809	3,21,62,709
Loss on sale/redemption of investments		49,06,368	-
Management fees (including Goods and Service Tax)		30,75,500	2,12,852
NPS Trust fees		1,76,902	90,192
Custodian fees		1,29,980	61,829
CRA fees		5,17,953	3,22,011
Less : Amount recoverable on sale of units on account of CRA Charges		(5,17,953)	(3,22,011)
Depository and settlement charges		42,185	25,588
Stamp Duty on Bond/Mutual Fund		-	2,31,267
<b>Total Expenditure (B)</b>		<b>11,87,16,744</b>	<b>3,27,84,437</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>12,13,44,265</b>	<b>9,48,15,558</b>
Less: Amount transferred to Unrealised appreciation account		1,22,90,317	2,63,64,584
Less: Amount transferred to General Reserve		(13,36,34,582)	(12,11,80,142)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	7		

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

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

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date : 24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra



Sh. Sashi Kishan  
(Chief Executive Officer)



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<b>Unit capital</b>		
Outstanding at the beginning of the year	1,22,40,54,544	58,78,93,020
Add: Units issued during the year	1,85,38,08,201	1,26,53,23,420
Less: Units redeemed during the year	(1,15,31,84,830)	(60,91,61,896)
<b>Outstanding at the end of the year</b>	<b>1,92,46,77,915</b>	<b>1,22,40,54,544</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	12,24,05,454	5,67,89,302
Add: Units issued during the year	18,53,80,820	12,65,32,342
Less: Units redeemed during the year	(11,53,18,484)	(6,09,16,190)
<b>Outstanding Units at the end of the year</b>	<b>19,24,67,791</b>	<b>12,24,05,454</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	1,16,11,87,052	42,14,13,911
Add: Premium on Units issued	2,22,44,10,850	1,41,51,97,252
Less: Premium on Units redeemed	(1,38,68,52,465)	(67,54,24,111)
Add: Transfer from General Reserve	-	-
Closing balance	<b>1,99,87,45,437</b>	<b>1,16,11,87,052</b>
<b>General Reserve</b>		
Opening balance	21,93,63,700	9,81,83,558
Add/(Less): Transfer from Revenue Account	13,36,34,582	12,11,80,142
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>35,29,98,282</b>	<b>21,93,63,700</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	1,88,73,459	4,52,38,043
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	(1,22,90,317)	(2,63,64,584)
Closing balance	<b>65,83,142</b>	<b>1,88,73,469</b>
<b>Total</b>	<b>2,36,83,26,861</b>	<b>1,39,94,24,211</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	3,54,108	1,13,402
Contract for Purchase of Investments	-	1,40,77,817
Redemption Payable	3,74,77,617	2,76,35,142
TDS Payable	27,070	2,319
<b>Total</b>	<b>3,78,58,795</b>	<b>4,18,28,680</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Central and state government securities (including treasury bills )	3,99,49,17,312	2,57,52,49,684
Others - Mutual Fund Units	15,51,52,495	4,82,98,118
<b>Total</b>	<b>4,15,00,69,807</b>	<b>2,62,35,47,802</b>

Schedule 5: Deposits

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	82,43,000	-
<b>Total</b>	<b>82,43,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Balances with banks in current account	10,49,92,915	5,079
Outstanding and accrued income	5,75,57,849	3,17,54,554
Sundry debtors	-	1,00,00,000
<b>Total</b>	<b>16,25,50,764</b>	<b>4,17,59,633</b>



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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) w.e.f April 01, 2019. 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.

Incomes on non-performing assets (NPA) are recognized 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01,2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company.

The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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**

**2.1 Contingent liabilities**

(in ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
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 (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(in ₹)

Nature of Transaction	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Investment management fees	30,75,500	2,12,852

Balances with HDFC Pension Management Company Limited are as follows

(in ₹)

Nature of Transaction	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Investment management fees payable	3,02,020	66,667

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows

(in ₹)

Name of the Company	Asset type	Scheme G Tier II			
		March 31, 2022		March 31, 2021	
		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 March 31, 2022 are as follows

(in ₹)

Name of the Company	Asset type	Scheme G Tier II			
		March 31, 2022		March 31, 2021	
		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 March 31, 2022 is as follows

(in ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	3,53,80,37,489	1,80,38,30,535
Purchase of Investment	12,25,03,66,074	9,80,28,29,096
% to average Net Assets Value	346.25%	532.36%
Sale of Investment	10,59,85,62,939	8,07,70,95,497
% to average Net Assets Value	299.56%	447.77%



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

Notes to accounts

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows :

(In ₹)

Particulars	Scheme G Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	3,53,80,37,498	1,80,38,30,535
Purchase of Investment	1,69,32,85,074	1,55,61,70,265
% to average Net Assets Value	47.86%	86.27%
Sale of Investment	14,54,03,403	2,95,65,720
% to average Net Assets Value	4.11%	1.64%

\*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			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Central Government Securities	3,42,94,44,442	80.07%	2,21,60,73,937	84.47%
State Development Loans	56,54,72,869	13.20%	35,91,75,747	13.69%
Mutual Funds	15,51,52,495	3.62%	4,82,98,118	1.84%
Fixed Deposits	82,43,000	0.19%	-	-
Net Current Assets	12,46,91,969	2.91%	-69,047	0.00%
<b>Net Asset Value</b>	<b>4,28,30,04,778</b>	<b>100.00%</b>	<b>2,82,34,78,755</b>	<b>100.00%</b>

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 G Tier II	
			March 31, 2022	March 31, 2021
			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. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio	
Government Securities	6.64% GOI Mat 16-Jun-2035	39,95,000	38,25,30,039	8.93%	
	6.22% GOI Mat 16-Mar-2035	36,87,200	34,21,72,897	7.99%	
	6.67% GOI Mat 15-Dec-2035	29,90,000	28,71,07,275	6.70%	
	7.57% GOI Mat 17-June-2033	23,00,000	24,00,05,920	5.60%	
	5.77% GOI Mat 03-Aug-2030	19,96,000	18,72,13,199	4.37%	
	7.26% GOI Mat 14-Jan-2029	15,00,000	15,45,18,150	3.61%	
	7.16% GOI Mat 20-Sep-2050	15,00,000	14,85,36,900	3.47%	
	6.10% GOI Mat 12-Jul-2031	15,00,000	14,24,12,700	3.33%	
	6.19% GOI Mat 16-Sep-2034	15,00,000	13,92,19,650	3.25%	
	8.24% GOI Mat 10-Nov-2033	10,18,400	11,15,65,516	2.60%	
	7.72% GOI Mat 15-June-2049	10,00,000	10,57,83,800	2.47%	
	7.17% GOI Mat 08-Jan-2028	10,00,000	10,30,00,800	2.40%	
	7.40% GOI Mat 09-Sep-2035	10,00,000	10,22,24,800	2.39%	
	6.67% GOI Mat 17-Dec-2050	10,76,250	10,00,63,268	2.34%	
	6.76% GOI Mat 22-Feb-2061	10,00,000	9,35,49,600	2.18%	
	8.32% GOI Mat 02-Aug-2032	7,47,900	8,17,30,288	1.91%	
	Gsec C-STRIPS Mat 17-Dec-2026	10,00,000	7,47,30,600	1.74%	
	Gsec C-STRIPS Mat 15-Dec-2028	10,00,000	6,36,99,900	1.49%	
	7.50% GOI Mat 10-Aug-2034	5,20,000	5,38,11,628	1.26%	
	5.63% GOI Mat 12-Apr-2026	4,95,000	4,88,34,621	1.14%	
	Gsec C-STRIPS Mat 17-Dec-2027	7,00,000	4,83,36,610	1.13%	
	6.80% GOI Mat 15-Dec-2060	4,97,000	4,69,87,523	1.10%	
	7.95% GOI Mat 28-Aug-2032	3,50,000	3,74,12,080	0.87%	
	Gsec C-STRIPS Mat 15-Sep-2027	5,00,000	3,51,03,850	0.82%	
	Gsec C-STRIPS Mat 17-June-2028	5,00,000	3,29,28,250	0.77%	
	8.17% GOI Mat 01-Dec-2044	2,29,700	2,54,28,044	0.59%	
	6.68% GOI Mat 17-Sep-2031	2,00,000	1,97,61,320	0.46%	
	7.61% GOI Mat 09-May-2030	1,69,000	1,76,92,593	0.41%	
	8.28% GOI Mat 15-Feb-2032	1,60,600	1,75,39,736	0.41%	
	7.73% GOI Mat 19-Dec-2034	1,61,500	1,69,59,228	0.40%	
	8.60% GOI Mat 02-Jun-2028	1,51,300	1,66,12,831	0.39%	
	8.83% GOI Mat 12-Dec-2041	1,30,500	1,52,84,030	0.36%	
	7.06% GOI Mat 10-Oct-2046	1,43,100	1,41,02,591	0.33%	
	9.20% GOI Mat 30-Sep-2030	1,17,700	1,34,83,112	0.31%	
	8.97% GOI Mat 05-Dec-2030	1,05,000	1,18,99,199	0.28%	
	8.30% GOI Mat 02-Jul-2040	1,06,900	1,18,60,747	0.28%	
	8.40% GOI Mat 28-Jul-2024	94,600	1,00,73,632	0.24%	
	7.72% GOI Mat 25-May-2025	90,000	95,26,509	0.22%	
	8.13% GOI Mat 22-Jun-2045	82,500	91,03,430	0.21%	
	8.15% GOI Mat 24-Nov-2026	70,700	76,09,688	0.18%	
	6.57% GOI Mat 05-Dec-2033	79,000	76,04,872	0.18%	
	7.88% GOI Mat 19-Mar-2030	67,400	71,57,880	0.17%	
	8.24% GOI Mat 15-Feb-2027	63,600	68,74,778	0.16%	
	8.30% GOI Mat 31-Dec-2042	55,000	61,55,199	0.14%	
	8.20% GOI Mat 24-Sep-2025	50,600	54,14,205	0.13%	
	7.59% GOI Mat 20-Mar-2029	50,000	52,28,735	0.12%	
	9.23% GOI Mat 23-Dec-2043	30,800	37,58,059	0.09%	
	8.33% GOI Mat 09-Jul-2026	30,000	32,31,306	0.08%	
	8.33% GOI Mat 07-June-2036	20,000	22,14,900	0.05%	
	7.72% GOI Mat 26-Oct-2055	10,000	10,54,450	0.02%	
	8.28% GOI Mat 21-Sep-2027	2,000	2,16,815	0.01%	
	8.26% GOI Mat 02-Aug-2027	1,100	1,18,910	0.00%	
	<b>Government Securities Total</b>		<b>3,58,47,350</b>	<b>3,42,94,44,442</b>	<b>80.07%</b>
	State Development Loans	6.53% Tamil Nadu SDL Mat 06-Jan-2031	9,62,700.00	9,26,62,858	2.16%
		6.81% Maharashtra SDL Mat 07-Oct-2028	6,84,200.00	6,81,00,821	1.59%
		8.25% Gujrat SDL Mat 25-Apr-2028	5,00,000.00	5,32,67,700	1.24%
		7.10% Maharashtra SDL Mat 04-Aug-2036	5,00,000.00	4,95,06,600	1.16%
		06.75% Gujarat SDL Mat 13-10-2029	5,00,000.00	4,91,34,150	1.15%
		8.47% Gujrat SDL Mat 21-Aug-2028	3,00,000.00	3,22,98,330	0.75%
		8.30% Gujrat SDL Mat 06-Feb-2029	2,73,600.00	2,92,47,566	0.88%
9.53% Gujrat SDL Mat 12-Feb-2024		2,22,000.00	2,37,30,734	0.55%	
8.17% Gujrat SDL Mat 19-Dec-2028		2,00,000.00	2,12,21,460	0.50%	
7.65% Tamil Nadu SDL Mat 06-Dec-2027		1,95,600.00	2,04,12,875	0.48%	
8.18% Tamil Nadu SDL Mat 19-Dec-2028		1,62,400.00	1,72,40,400	0.40%	
7.20% Maharashtra SDL Mat 09-Aug-2027		1,55,000.00	1,59,53,530	0.37%	
8.38% Gujrat SDL Mat 27-Feb-2029		1,43,100.00	1,53,66,164	0.36%	
6.90% Gujrat SDL Mat 31-Mar-2030		1,40,000.00	1,38,73,202	0.32%	
8.37% Tamil Nadu SDL Mat 05-Dec-2028		1,00,000.00	1,07,13,140	0.25%	
8.08% Maharashtra SDL Mat 26-Dec-2028		91,200.00	96,44,810	0.23%	
8.58% Gujrat SDL Mat 31-Oct-2028		77,300.00	83,80,881	0.20%	
6.68% Tamil Nadu SDL Mat 10-Oct-2028	71,700.00	78,07,212	0.18%		



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% of Portfolio
	7.69% Tamil Nadu SDL Mat 20-Dec-2027	58,000.00	60,65,118	0.14%
	8.79% Gujrat SDL Mat 12-Sep-2028	52,100.00	56,97,668	0.13%
	8.47% Maharashtra SDL Mat 10-Feb-2026	50,000.00	53,86,360	0.13%
	8.36% Maharashtra SDL Mat 27-Jan-2026	40,000.00	42,91,704	0.10%
	7.96% Maharashtra SDL Mat 29-Jun-2026	30,000.00	31,85,622	0.07%
	7.16% Tamil Nadu SDL Mat 26-July-2027	16,000.00	16,45,112	0.04%
	6.44% Tamil Nadu SDL Mat 26-Nov-2024	6,000.00	6,38,852	0.01%
<b>State Development Loans Total</b>		<b>55,30,900</b>	<b>56,54,72,869</b>	<b>13.20%</b>
Mutual Fund Units	Aditya Birla Sun Life Overnight Fund - Growth -Direct Plan	1,34,965	15,51,52,495	3.62%
<b>Mutual Fund Units Total</b>		<b>1,34,965</b>	<b>15,51,52,495</b>	<b>3.62%</b>
Fixed Deposits	2.50% Axis Bank FD Mat 07-Apr-2022	82,43,000	82,43,000	0.19%
<b>Fixed Deposits Total</b>		<b>82,43,000</b>	<b>82,43,000</b>	<b>0.19%</b>
<b>Net Current Assets</b>		<b>-</b>	<b>12,46,91,969</b>	<b>2.91%</b>
<b>Grand Total</b>		<b>4,97,56,215</b>	<b>4,26,30,04,776</b>	<b>100.00%</b>



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme G Tier II	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I Open High Low End	21.4326 22.4404 21.4850 22.2530	19.9461 21.8392 19.5644 21.4326
2	Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II	42,830.05 35,380.37	26,234.79 18,038.31
3	Gross income as % of AAuM III	6.79%	7.07%
4	Expense ratio a Total expense as % of AAuM (scheme wise) IV b Management fee as % of AAuM (scheme wise) V	0.10% 0.09%	0.03% 0.01%
5	Net income as % of AAuM VI	3.43%	5.26%
6	Portfolio turnover ratio VII	4.11%	1.64%
7	Returns (%) * Compounded Annualised Yield VIII Last 1 Year Last 3 Years Last 5 Years Last 10 Years Since Launch of the scheme (01/08/2013)	3.83% 8.62% 7.98% NA 9.67%	7.45% 10.55% 9.66% NA 10.45%
* Declared NAV; Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (including applicable Taxes) as per Revenue Account		
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	Returns (%) * 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**

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

***Contents***

Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme A- Tier I (“the Scheme”)**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (“Act”) (“SAs”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



### Other Matters

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

### Management's Responsibility for the Financial Statements

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.



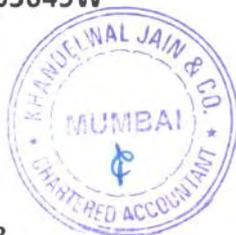
- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

*Awaghele*  
(ALPESH WAGHELA)  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*

UDIN: *22142058ALS VWK9852*

NATIONAL PENSION SYSTEM TRUST

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

BALANCE SHEET AS AT MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme A Tier I	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	54,46,58,235	25,47,46,587
Reserves & Surplus	2	32,44,45,452	10,86,04,123
Current Liabilities and Provisions	3	73,88,473	3,92,167
<b>Total</b>		<b>87,64,92,160</b>	<b>36,37,42,877</b>
<b>Assets</b>			
Investments	4	83,54,88,719	35,56,29,574
Deposits	5	1,61,00,000	-
Other Current Assets	6	2,49,03,441	81,13,303
<b>Total</b>		<b>87,64,92,160</b>	<b>36,37,42,877</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		86,91,03,687	36,33,50,710
(b) Number of units outstanding		5,44,65,823	2,54,74,658
(c) NAV per unit (a)/(b) (₹)		15.9568	14.2632
<b>Significant accounting policies and notes to accounts</b>	7		

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

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

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fugun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**

Date : **24th JUNE 2022**

Sh. Sashi Krishnan  
(Chief Executive Officer)



Shri Dinesh Kumar Mehrotra



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme A Tier I	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Dividend		47,43,503	-
Interest		2,95,04,562	1,43,32,055
Profit on sale/redemption of investments		55,17,492	11,45,964
Unrealised gain on appreciation in investments		2,64,56,922	60,93,065
Other income			
- Miscellaneous Income		-	68
<b>Total Income (A)</b>		<b>6,62,22,479</b>	<b>2,15,71,052</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		18,08,601	-
Loss on sale/redemption of investments		2,78,898	-
Management fees (including Goods and Service Tax)		4,85,743	29,804
NPS Trust fees		28,012	12,544
Custodian fees		15,092	5,890
CRA fees		3,74,795	2,30,175
Less : Amount recoverable on sale of units on account of CRA Charges		(3,74,795)	(2,30,175)
Depository and settlement charges		2,782	919
Stamp Duty on Bond/Mutual Fund		-	11,369
<b>Total Expenditure (B)</b>		<b>26,19,328</b>	<b>60,326</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>6,36,03,151</b>	<b>2,15,10,726</b>
Less: Amount transferred to Unrealised appreciation account		(2,46,48,121)	(34,05,444)
Less: Amount transferred to General Reserve		(3,89,55,030)	(1,81,05,282)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
Significant accounting policies and notes to accounts	7		

The notes referred to above form an integral part of the financial statements.  
This is the Revenue Account referred to in our report of even date.

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai  
Date :

Place : Mumbai  
Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)  
Place : **MUMBAI**  
Date : **24<sup>th</sup> JUNE 2022**

Sh. Sashi Krishnan  
(Chief Executive Officer)



Shri Dinesh Kumar Mehrotra



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<u>Unit capital</u>		
Outstanding at the beginning of the year	25,47,46,587	14,27,30,975
Add: Units issued during the year	32,06,78,022	13,07,32,208
Less: Units redeemed during the year	(3,07,66,374)	(1,87,16,596)
<b>Outstanding at the end of the year</b>	<b>54,46,58,235</b>	<b>25,47,46,587</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	2,54,74,659	1,42,73,098
Add: Units issued during the year	3,20,67,801	1,30,73,221
Less: Units redeemed during the year	(30,76,637)	(18,71,660)
<b>Outstanding Units at the end of the year</b>	<b>5,44,65,823</b>	<b>2,64,74,659</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	7,57,07,771	3,17,94,171
Add: Premium on Units issued	16,81,51,373	5,09,34,878
Less: Premium on Units redeemed	(1,59,13,195)	(70,21,278)
Add: Transfer from General Reserve	-	-
Closing balance	<b>22,79,45,949</b>	<b>7,67,07,771</b>
<b>General Reserve</b>		
Opening balance	2,93,73,163	1,12,67,881
Add/(Less): Transfer from Revenue Account	3,89,55,030	1,81,05,282
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>6,83,28,193</b>	<b>2,93,73,163</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	35,23,189	1,17,745
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	2,46,48,121	34,05,444
Closing balance	<b>2,81,71,310</b>	<b>35,23,189</b>
<b>Total</b>	<b>32,44,48,482</b>	<b>10,96,04,123</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	63,870	12,488
Contract for Purchase of Investments	66,85,241	-
Redemption Payable	6,34,221	3,79,422
TDS Payable	5,141	257
<b>Total</b>	<b>73,88,473</b>	<b>3,92,167</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Others - Mutual Fund Units	5,54,71,293	19,69,25,923
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/Commercial mortgage based Securities or Residential mortgage based securities	25,21,14,166	-
Basel III Tier I bonds	52,79,03,260	15,87,03,651
<b>Total</b>	<b>63,54,88,719</b>	<b>38,56,29,574</b>

Schedule 5: Deposits

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	1,61,00,000	-
<b>Total</b>	<b>1,61,00,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Balances with banks in current account	4,508	4,796
Outstanding and accrued income	1,82,13,692	81,08,507
Sundry debtors	66,85,241	-
<b>Total</b>	<b>2,49,03,441</b>	<b>81,13,303</b>



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

### Schedule 7

#### Significant accounting policies & notes to accounts for the year ended March 31, 2022

##### 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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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) w.e.f April 01, 2019. 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01,2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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**

**2.1 Contingent liabilities**

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
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
Mr. Vibha Padalkar	Key Management Personnel
Mr. Parvez Mulla	Key Management Personnel (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(In ₹)

Nature of Transaction	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Investment management fees	4,85,743	29,604

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Investment management fees payable	57,962	8,925

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme A Tier I			
		March 31, 2022		March 31, 2021	
		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 March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme A Tier I			
		March 31, 2022		March 31, 2021	
		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 March 31, 2022 is as follows:

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	56,02,33,849	25,08,82,261
Purchase of Investment	1,47,75,28,487	26,53,34,159
% to average Net Assets Value	263.73%	105.76%
Sale of Investment	98,77,67,782	9,49,89,998
% to average Net Assets Value	176.31%	37.86%



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

**Notes to accounts**

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows.

(In ₹)

Particulars	Scheme A Tier I	
	March 31, 2022	March 31, 2021
Average Net Asset Value	56,02,33,849	25,08,82,261
Purchase of Investment	63,48,00,467	-
% to average Net Assets Value	113.31%	0.00%
Sale of Investment	-	-
% to average Net Assets Value	-	-

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

**2.6 Investments falling under each major industry group**

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

(In ₹)

Industry Classification	Scheme A Tier I			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Monetary intermediation of commercial banks, saving banks, postal savings bank and discount houses	52,79,03,260	60.74%	15,87,03,651	43.68%
Real estate activities with own or leased property	16,85,80,651	19.40%	-	-
Transmission Of Electric Energy	8,35,33,515	9.61%	-	-
Mutual Funds	5,54,71,293	6.38%	19,69,25,923	54.20%
Fixed Deposits	1,61,00,000	1.85%	-	-
Net Current Assets	1,75,14,968	2.02%	77,21,136	2.12%
<b>Net Asset Value</b>	<b>86,91,03,887</b>	<b>100.00%</b>	<b>36,33,90,710</b>	<b>100.00%</b>

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	
			March 31, 2022	March 31, 2021
			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. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Scrip Name	Quantity	Market Value	% of Portfolio
Asset Backed, Trust Structured and Miscellaneous Investments	8.15% BOB Perpetual AT-1 SERIES XV (Call date 13/01/2026)	150	15,10,01,200	17.37%
	8.50% SBI Bank Perpetual AT-1 SERIES II (Call date 22/11/2024)	78	7,99,71,476	9.20%
	8.75 SBI Bank Perpetual AT-1 (Call date 30/08/2024)	50	5,14,65,657	5.92%
	7.95% BOB Perpetual Basel III AT-1 Series XVII (Call date 26/11/2026)	5	5,02,38,972	5.78%
	7.72% SBI Bank Perpetual AT-1 Series II (Call date 18/10/2026)	5	5,01,08,857	5.77%
	7.72% SBI Bank Perpetual AT-1 SERIES-I (Call date 03/09/2026)	5	4,98,91,482	5.74%
	9.15% ICICI Bank Ltd NCD Perpetual AT-1 (Call date 20-Jun-2023)	40	4,17,56,192	4.80%
	9.50 Indusind Bank Perpetual AT-1 (Call date 18/04/2022)	20	2,00,27,810	2.30%
	9.90 ICICI Bank Perpetual AT-1 (Call date 28/12/2023)	15	1,59,36,624	1.83%
	10.50 Indusind Bank Perpetual AT-1 (Call date 28/03/2024)	12	1,24,63,587	1.43%
	8.15 SBI Bank Perpetual AT-1 (Call date 02/008/2022)	5	50,41,402	0.58%
	<b>Asset Backed, Trust Structured and Miscellaneous Investments Total</b>		<b>385</b>	<b>52,79,03,260</b>
Real Estate Investment Trust	Mindspace Business Parks REIT	2,43,598	8,44,16,451	9.71%
	Embassy Office Parks REIT	2,26,400	8,41,64,200	9.68%
<b>Real Estate Investment Trust Total</b>		<b>4,69,998</b>	<b>16,85,80,651</b>	<b>19.40%</b>
Infrastructure Investment Trust	Power Grid Corporation of India Ltd INVIT	6,23,850	8,35,33,515	9.61%
<b>Infrastructure Investment Trust Total</b>		<b>6,23,850</b>	<b>8,35,33,515</b>	<b>9.61%</b>
Mutual Fund Units	Aditya Birla Sun Life Overnight Fund - Growth - Direct Plan	48,254	5,54,71,293	6.38%
<b>Mutual Fund Units Total</b>		<b>48,254</b>	<b>5,54,71,293</b>	<b>6.38%</b>
Fixed Deposits	2.50% Axis Bank FD Mat 07-Apr-2022	1,61,00,000	1,61,00,000	1.85%
<b>Fixed Deposits Total</b>		<b>1,61,00,000</b>	<b>1,61,00,000</b>	<b>1.85%</b>
<b>Net Current Assets</b>		-	<b>1,75,14,968</b>	<b>2.02%</b>
<b>Grand Total</b>		<b>1,72,42,487</b>	<b>86,91,03,687</b>	<b>100.00%</b>



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme A Tier I	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I		
	Open	14.2632	13.0252
	High	15.9568	14.3412
	Low	14.2634	12.6069
	End	15.9568	14.2632
2	Closing Assets Under Management (₹ in Lakhs)		
	End	8,691.04	3,633.51
	Average daily net assets (AAuM) II	5,602.34	2,508.82
3	Gross income as % of AAuM III	11.82%	8.60%
4	Expense ratio		
	a Total expense as % of AAuM (scheme wise) IV	0.09%	0.02%
b	Management fee as % of AAuM (scheme wise) V	0.09%	0.01%
5	Net income as % of AAuM VI	11.35%	8.57%
6	Portfolio turnover ratio VII	NIL	NIL
7	Returns (%) * Compounded Annualised Yield VIII		
	Last 1 Year	11.87%	9.50%
	Last 3 Years	9.31%	8.29%
	Last 5 Years	9.18%	NA
	Last 10 Years	NA	NA
	Since Launch of the scheme (10/10/2016)	8.91%	8.26%
* Declared NAV; Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (Including applicable Taxes) as per Revenue Account		
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	Returns (%) * Compounded Annualised Yield is to be calculated based on following formula = $((1 + \text{cumulative return})^n)^{1/n} - 1$ (where n=365/no. of days)		



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

**Financial Statements together  
with Auditors' Report**

**For the Financial year ended March 31, 2022**

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Auditors' Report

Balance Sheet

Revenue Account

Accounting Policies and Notes to Accounts



**INDEPENDENT AUDITORS' REPORT**

To,  
The Trustees,  
National Pension System Trust

**Report on the audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **NPS Trust – A/c HDFC Pension Fund Scheme Tax saver- Tier II (“the Scheme”)**, under the National Pension System Trust (NPS Trust) managed by HDFC Pension Management Company Limited (PFM) which comprise of Balance Sheet as at March 31, 2022 and the Revenue Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012 and amendments thereto, and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of Balance Sheet, of the state of affairs of the Scheme as at March 31, 2022;
- b) in the case of Revenue Account, of the surplus of the Scheme for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013 (“Act”) (“SAs”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



**Other Matters**

1. The transactions initiated by subscribers in the Scheme are maintained by the Central Recordkeeping Agency ("CRA") and are not been subjected to audit by us.

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

Management of the PFM, in accordance with the Pension Fund Regulatory and Development Authority (PFRDA) Guidelines and the Investment Management Agreement (IMA) with the NPS Trust, is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Scheme in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA to Scheme. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Guidelines for safeguarding the assets of the scheme and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to close the Scheme, or has no realistic alternative but to do so.

The management is responsible for overseeing the Scheme's financial reporting process. These financial statements are also approved by the NPS Trust on the recommendation of the Board of Directors of the PFM.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

As required by PFRDA (Preparation of Financial Statements and Auditors Report of Schemes under National Pension System) Guidelines 2012, and amendment thereto, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) The Balance Sheet and Revenue Account of the Scheme are in agreement with the books of account of the Scheme.
- c) In our opinion, proper books of account of the Scheme, as required by PFRDA have been maintained by the PFM, so far as it appears from our examination of those books.



- d) In our opinion, all transaction expenses in excess of the limits contractually agreed to/approved by the PFRDA are borne by the PFM and are not charged to the NAV of the Scheme.
- e) In our opinion the Balance Sheet and Revenue Account of the Scheme dealt with by this report comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent made applicable by PFRDA.

We further certify that

- a. *Investments are valued as per directive received from NPS Trust, which is through ICRA Management Consulting Services Limited (IMACS) effective April 01, 2019.*
- b. *Transaction and claims/fee raised by different entities are in accordance with the prescribed fee. The CRA charges have been charged based on communication received from CRA.*

For KHANDELWAL JAIN & CO.  
Chartered Accountants  
Firm Registration No. 105049W

*Alpesh Waghela*  
(ALPESH WAGHELA)  
PARTNER  
Membership No.142058



Place: Mumbai

Date: *June 27, 2022*

UDIN: *22142058ALS VWK9852*

NATIONAL PENSION SYSTEM TRUST

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

BALANCE SHEET AS AT MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme Tax Saver Tier II	
		March 31, 2022	March 31, 2021*
<b>Liabilities</b>			
Unitholders Funds			
Unit Capital	1	1,95,67,870	69,50,847
Reserves & Surplus	2	12,57,679	22,185
Current Liabilities and Provisions	3	1,670	6,54,143
<b>Total</b>		<b>2,08,27,219</b>	<b>76,27,175</b>
<b>Assets</b>			
Investments	4	2,02,06,617	72,91,640
Deposits	5	2,12,000	-
Other Current Assets	6	4,08,602	3,35,535
<b>Total</b>		<b>2,08,27,219</b>	<b>76,27,175</b>
(a) Net asset as per Balance Sheet (Schedule 4+5+6 -3)		2,08,25,549	69,73,032
(b) Number of units outstanding		19,56,787	6,95,085
(c) NAV per unit (a)/(b) (₹)		10.6427	10.0319
Significant accounting policies and notes to accounts	7		

\* Scheme Launched by the NPS Trust on August 17th, 2020.

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

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

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No.142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Srfram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pal  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date : 24<sup>th</sup> JUNE 2022

Shri Dinesh Kumar Mehrotra



Sh.Sagbi Krishnan  
(Chief Executive Officer)



NATIONAL PENSION SYSTEM TRUST

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

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

(In ₹)

Particulars	Schedule	Scheme Tax Saver Tier II	
		March 31, 2022	March 31, 2021*
<b>Income</b>			
Dividend		23,216	1,369
Interest		5,68,034	53,190
Profit on sale/redemption of investments		19,224	9,988
Unrealised gain on appreciation in investments		2,31,994	16,804
Other income			
- Miscellaneous Income		-	13
<b>Total Income (A)</b>		<b>8,40,468</b>	<b>81,344</b>
<b>Expenses &amp; Losses</b>			
Unrealised losses in value of investments		2,28,855	93,275
Loss on sale/redemption of investments		3,372	-
Management fees (including Goods and Service Tax)		10,662	162
NPS Trust fees		616	88
Custodian fees		378	38
CRA fees		-	-
Less : Amount recoverable on sale of units on account of CRA Charges		-	-
Depository and settlement charges		369	390
Stamp Duty on Bond/Mutual Fund		-	419
<b>Total Expenditure (B)</b>		<b>2,44,252</b>	<b>94,352</b>
<b>Surplus/(Deficit) for the year (A-B = C)</b>		<b>5,96,216</b>	<b>(13,008)</b>
Less: Amount transferred to Unrealised appreciation account		(2,24,821)	(16,804)
Less: Amount transferred to General Reserve		(3,71,395)	29,812
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>
Significant accounting policies and notes to accounts	7		

\* Scheme Launched by the NPS Trust on August 17th, 2020.

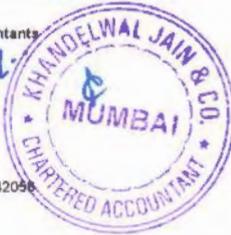
The notes referred to above form an integral part of the financial statements.

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

For Khandelwal Jain & Co.(FRN: 105049W)

Chartered Accountants

Alpesh Waghele  
Partner  
Membership No.142056



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Fagun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai

Date :

Place : Mumbai

Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : MUMBAI

Date :

24th JUNE 2022

Shri Dinesh Kumar Mehrotra



Sh. Sashi Krishnan  
(Chief Executive Officer)



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 1: Unit capital

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
<b>Initial capital</b>		
<b>Unit capital</b>		
Outstanding at the beginning of the year	69,50,847	-
Add: Units issued during the year	1,26,17,023	69,60,847
Less: Units redeemed during the year	-	(10,000)
<b>Outstanding at the end of the year</b>	<b>1,95,67,870</b>	<b>69,50,847</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	6,95,085	-
Add: Units issued during the year	12,61,702	6,96,085
Less: Units redeemed during the year	-	(1,000)
<b>Outstanding Units at the end of the year</b>	<b>19,68,787</b>	<b>6,96,085</b>

Schedule 2: Reserves and surplus

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
<b>Unit premium reserve</b>		
Opening balance	35,193	-
Add: Premium on Units issued	6,39,278	35,194
Less: Premium on Units redeemed	-	(1)
Add: Transfer from General Reserve	-	-
Closing balance	<b>6,74,471</b>	<b>35,193</b>
<b>General Reserve</b>		
Opening balance	(29,812)	-
Add/(Less): Transfer from Revenue Account	3,71,395	(29,812)
Less: Transfer to Unit Premium Reserve	-	-
Closing balance	<b>3,41,583</b>	<b>(29,812)</b>
<b>Unrealised Appreciation Reserve</b>		
Opening balance	16,804	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from Revenue Account	2,24,821	16,804
Closing balance	<b>2,41,626</b>	<b>16,804</b>
<b>Total</b>	<b>12,57,679</b>	<b>22,185</b>

Schedule 3: Current liabilities and provisions

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
<b>Current liabilities</b>		
Sundry creditors for expenses	1,546	516
Contract for Purchase of Investments	-	6,53,613
TDS Payable	124	14
<b>Total</b>	<b>1,670</b>	<b>6,64,143</b>



NATIONAL PENSION SYSTEM TRUST

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

Schedules forming part of the financial statements

Schedule 4: Investments (Long Term and Short Term)

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Equity shares	35,84,637	8,28,013
Central and state government securities (including treasury bills)	99,30,136	57,57,663
Others - Mutual Fund Units	86,91,844	7,05,954
<b>Total</b>	<b>2,02,06,617</b>	<b>72,91,640</b>

Schedule 5: Deposits

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Deposits with scheduled banks	2,12,000	-
<b>Total</b>	<b>2,12,000</b>	<b>-</b>

Schedule 6: Other current assets

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Balances with banks in current account	3,04,870	5,752
Outstanding and accrued income	1,03,257	29,659
Dividend Receivable	475	125
Sundry debtors	-	3,00,000
<b>Total</b>	<b>4,08,602</b>	<b>3,35,536</b>



Schedule 7

Significant accounting policies & notes to accounts for the year ended March 31, 2022

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 , KFin Technologies Private Ltd and Computer Age Management Services 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):** NSDL e-Governance Infrastructure Ltd, KFin Technologies Private Ltd, Computer Age Management Services 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 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) w.e.f April 01, 2019. 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.

### **Valuation of Corporate Bonds**

#### **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 Government Securities**

**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 Equity**

##### **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 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**

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 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 charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme with effect from April 01,2021.

AUM Slabs	Investment Management Fees%
Upto 10,000 Cr	0.09%
10,001 – 50,000 Cr	0.06%
50,001 – 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%



This fee shall remain valid till further notice and subsequent revision, if any, shall be duly notified by the Company. The investment management fees charged until March 31, 2021 was 0.01% per annum (inclusive of brokerage but excluding custodian charges and applicable taxes), 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 01<sup>st</sup> 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

2.1 Contingent liabilities

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Uncalled liability on partly paid shares	2,609	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 (Resigned w.e.f March 4, 2022)
Mr. Niraj Shah	Key Management Personnel (Appointed w.e.f March 7, 2022)
Mr. Sumit Shukla	Key Management Personnel (Resigned w.e.f March 31, 2022)
Mr. Sriram Iyer	Key Management Personnel (Appointed w.e.f April 1, 2022)
Mr. Fagun Pancholi	Key Management Personnel
Mr. Nagesh Pai	Key Management Personnel

The following represents significant transactions between the Company and its related parties for the year ended March 31, 2022

(In ₹)

Nature of Transaction	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Investment management fees	10,982	182

Balances with HDFC Pension Management Company Limited are as follows:

(In ₹)

Nature of Transaction	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Investment management fees payable	1,382	127

Aggregate investments made in the Associates and group companies as at March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme Tax Saver Tier II			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Ltd	Equity	1,46,338	1,31,472	15,419	14,989

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 March 31, 2022 are as follows:

(In ₹)

Name of the Company	Asset type	Scheme Tax Saver Tier II			
		March 31, 2022		March 31, 2021	
		Cost	Market Value	Cost	Market Value
HDFC Bank Ltd	Equity	2,60,114	2,51,430	22,407	22,405

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 March 31, 2022 is as follows:

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	1,23,11,144	21,70,238
Purchase of Investment	2,25,84,972	1,51,18,234
% to average Net Assets Value	183.45%	696.66%
Sale of Investment	94,55,055	76,99,590
% to average Net Assets Value	76.80%	354.78%



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

Notes to accounts

Aggregate value of purchase and sale (excluding liquid mutual fund)\* with percentage to average assets as at March 31, 2022 is as follows :

(In ₹)

Particulars	Scheme Tax Saver Tier II	
	March 31, 2022	March 31, 2021
Average Net Asset Value	1,23,11,144	21,70,239
Purchase of Investment	72,40,972	67,23,356
% to average Net Assets Value	58.82%	309.80%
Sale of Investment	57,342	-
% to average Net Assets Value	0.47%	-

\*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			
	March 31, 2022		March 31, 2021	
	Market value	% of Industry Classification	Market value	% of Industry Classification
Central Government Loans	74,08,186	35.57%	46,40,120	66.54%
State Government Loans	25,21,949	12.11%	11,17,543	16.03%
Others	35,84,637	17.21%	8,28,012	11.87%
Mutual Funds	66,91,844	32.13%	7,05,964	10.12%
Fixed Deposits	2,12,000	1.02%	-	-
Net Current Assets	4,06,932	1.95%	(3,18,608)	-4.57%
<b>Net Asset Value</b>	<b>2,08,25,549</b>	<b>100.00%</b>	<b>66,73,032</b>	<b>100.00%</b>

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	
			March 31, 2022	March 31, 2021
			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 TAX SAVER TIER II

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
Government Securities	6.22% GOI Mat 16-Mar-2035	40,200	37,30,568	17.91%
	6.67% GOI Mat 15-Dec-2035	10,000	9,60,225	4.61%
	6.67% GOI Mat 17-Dec-2050	10,250	9,52,984	4.58%
	5.63% GOI Mat 12-Apr-2026	5,000	4,93,279	2.37%
	6.64% GOI Mat 16-Jun-2035	5,000	4,78,761	2.30%
	Gsec C-STRIPS Mat 17-Dec-2026	4,300	3,21,342	1.54%
	6.80% GOI Mat 15-Dec-2090	3,000	2,83,627	1.36%
	5.77% GOI Mat 03-Aug-2030	2,000	1,87,401	0.90%
<b>Government Securities Total</b>		<b>79,750</b>	<b>74,08,186</b>	<b>35.57%</b>
State Development Loans	6.90% Gujrat SDL Mat 31-Mar-2030	13,500	13,37,773	6.42%
	7.65% Tamil Nadu SDL Mat 08-Dec-2027	4,400	4,59,185	2.20%
	7.18% Tamil Nadu SDL Mat 26-July-2027	4,000	4,11,278	1.97%
	7.69% Tamil Nadu SDL Mat 23-Dec-2027	3,000	3,13,713	1.51%
<b>State Development Loans Total</b>		<b>24,900</b>	<b>25,21,949</b>	<b>12.11%</b>
Equity Shares	Reliance Industries Ltd.	120.00	3,16,170	1.52%
	Infosys Ltd	157.00	2,99,375	1.44%
	HDFC Bank Ltd	171.00	2,51,430	1.21%
	ICICI Bank Ltd	342.00	2,49,763	1.20%
	Housing Development Finance Corporation Ltd	55.00	1,31,472	0.63%
	Tata Consultancy Services Ltd	33.00	1,23,418	0.59%
	Bharati Airtel Ltd.	157.00	1,18,527	0.57%
	Larsen & Toubro Ltd	64.00	1,13,130	0.54%
	Axis Bank Ltd	147.00	1,11,889	0.54%
	Kotak Mahindra Bank Ltd	61.00	1,08,985	0.51%
	State Bank of India	218.00	1,06,607	0.51%
	Bajaj Finance Ltd.	13.00	94,379	0.45%
	Hindustan Unilever Ltd	40.00	81,946	0.39%
	ITC Ltd	312.00	78,203	0.38%
	UltraTech Cement Ltd	11.00	72,625	0.35%
	Maruti Suzuki India Ltd	9.00	68,052	0.33%
	Tata Steel Ltd	41.00	53,595	0.26%
	Hindalco Industries Ltd	92.00	52,394	0.25%
	HCL Technologies Ltd	45.00	52,369	0.25%
	Bajaj Finserv Ltd	3.00	51,181	0.25%
	Divis Laboratories Ltd	11.00	48,423	0.23%
	Tech Mahindra Ltd.	30.00	44,984	0.22%
	Mahindra & Mahindra Ltd	54.00	43,554	0.21%
	Asian Paints (India) Ltd	14.00	43,119	0.21%
	Titan Company Limited	14.00	35,506	0.17%
	Nestle India Limited	2.00	34,761	0.17%
	Dr Reddys Laboratories Ltd	8.00	34,384	0.17%
	Pidilite Industries Limited	14.00	34,350	0.16%
	IndusInd Bank Ltd	34.00	31,804	0.15%
	SBI Life Insurance Company Limited	28.00	31,401	0.15%
	Cipla Ltd	26.00	26,469	0.13%
	Shree Cement Ltd	1.00	24,033	0.12%
	Mphasis Limited	7.00	23,638	0.11%
	ICICI Prudential Life Insurance Company Limited	46.00	23,041	0.11%
	Britannia Industries Ltd	7.00	22,445	0.11%
	MindTree Limited	5.00	21,515	0.10%
	Gland Pharma Limited	6.00	19,636	0.09%
	Power Grid Corporation of India Ltd	90.00	19,512	0.09%
	Bharat Petroleum Corporation Ltd	54.00	19,405	0.09%
	Sun Pharmaceuticals Industries Ltd	21.00	19,210	0.09%
	Siemens Ltd	8.00	18,946	0.09%
	National Thermal Power Corporation Ltd	139.00	18,785	0.09%
	Hindustan Petroleum Corporation Ltd	88.00	18,316	0.09%
Adani Ports And Special Economic Zone Ltd	23.00	17,807	0.09%	
United Spirits Ltd	19.00	16,879	0.08%	
Lupin Ltd	22.00	16,435	0.08%	
Astral Limited	8.00	16,184	0.08%	
Ambuja Cements Ltd	54.00	16,160	0.08%	
Wipro Ltd	27.00	15,981	0.08%	
Tata Motors Ltd	35.00	15,181	0.07%	
ICICI Lombard General Insurance Company Limited	11.00	14,611	0.07%	
Bosch Ltd.	1.00	14,439	0.07%	
Oil & Natural Gas Corporation Ltd	85.00	13,932	0.07%	
Petronet LNG Ltd	68.00	13,175	0.06%	
Dabur India Ltd	24.00	12,669	0.06%	
SBI Cards and Payment Services Ltd	15.00	12,776	0.06%	
Godrej Consumer Products Ltd	17.00	12,704	0.06%	
Havells India Ltd	11.00	12,678	0.06%	
Bharat Electronics Ltd.	56.00	11,805	0.06%	



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

3. PORTFOLIO STATEMENT AS ON MARCH 31, 2022

(In ₹)

Asset Head	Script Name	Quantity	Market Value	% of Portfolio
	Gas Authority of India Ltd	74.00	11,518	0.06%
	Cholamandalam Investment & Finance Company Ltd	16.00	11,495	0.06%
	Hero Motocorp Ltd	5.00	11,471	0.08%
	Voltas Ltd	9.00	11,209	0.05%
	Indraprastha Gas Ltd	29.00	10,821	0.05%
	Eicher Motors Ltd	4.00	9,829	0.05%
	Cummins India Ltd	8.00	8,970	0.04%
	Ashok Leyland Ltd	76.00	8,911	0.04%
	Crompton Greaves Consumer Electricals Limited	21.00	7,854	0.04%
	Bajaj Auto Ltd	2.00	7,306	0.04%
	Alkem Laboratories Ltd	2.00	7,241	0.03%
	TVS Motor Company Ltd.	11.00	6,882	0.03%
	Coal India Ltd	32.00	5,858	0.03%
	Shriram Transport Finance Co. Ltd	5.00	5,674	0.03%
	Dr. Lal Path Labs Ltd	2.00	5,221	0.03%
	Indian Oil Corporation Ltd	43.00	5,115	0.02%
	Colgate Palmolive (India) Ltd	3.00	4,627	0.02%
	Zydus Lifesciences Ltd	10.00	3,485	0.02%
	Indus Towers Ltd	15.00	3,331	0.02%
	Grasim Industries Ltd	2.00	3,328	0.02%
	The Ramco Cements Limited	4.00	3,072	0.01%
	Bharati Airtel Ltd. - Partly Paid up Equity Shares	7.00	2,772	0.01%
	Zee Entertainment Enterprises Ltd	8.00	2,307	0.01%
	Gujarat Gas Limited	4.00	2,013	0.01%
<b>Equity Shares Total</b>		<b>3,844</b>	<b>35,84,637</b>	<b>17.21%</b>
Mutual Fund Units	Kotak Overnight Fund -Direct Plan-Growth Option	5,903	68,91,844	32.13%
<b>Mutual Fund Units Total</b>		<b>5,903</b>	<b>68,91,844</b>	<b>32.13%</b>
Fixed Deposits	2.50% Axis Bank FD Mat 07-Apr-2022	2,12,000	2,12,000	1.02%
<b>Fixed Deposits Total</b>		<b>2,12,000</b>	<b>2,12,000</b>	<b>1.02%</b>
<b>Net Current Assets</b>		<b>-</b>	<b>4,06,932</b>	<b>1.95%</b>
<b>Grand Total</b>		<b>3,26,197</b>	<b>2,08,25,549</b>	<b>100.00%</b>



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

3.1 KEY STATISTICS FOR THE YEAR ENDED MARCH 31, 2022

Sr No	Particulars	Scheme Tax Saver Tier II	
		March 31, 2022	March 31, 2021
1	NAV per unit (₹) I Open High Low End	10.0319 10.7701 10.0420 10.6427	10.0000 10.1405 9.8838 10.0319
2	Closing Assets Under Management (₹ in Lakhs) End Average daily net assets (AAuM) II	208.28 123.11	89.73 21.70
3	Gross income as % of AAuM III	6.83%	3.75%
4	Expense ratio a Total expense as % of AAuM (scheme wise) IV b Management fee as % of AAuM (scheme wise) V	0.10% 0.09%	0.05% 0.01%
5	Net income as % of AAuM VI	4.84%	-0.60%
6	Portfolio turnover ratio VII	0.47%	NIL
7	Returns (%) * Compounded Annualised Yield VIII Last 1 Year Last 3 Years Last 5 Years Last 10 Years Since Launch of the scheme (17/08/2020)	6.09% NA NA NA 3.92%	NA NA NA NA 0.52%
* Declared NAV, Returns calculated based on declared NAV			
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 fees, Depository and settlement charges and Stamp duty but excludes Unrealised /Realised loss		
V	Management fee as % of AAuM is annualised. Management fees (Including applicable Taxes) as per Revenue Account		
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	Returns (%) * Compounded Annualised Yield is to be calculated based on following formula: = ((1+ cumulative return) <sup>n</sup> ) - 1 (where n=365/no. of days)		



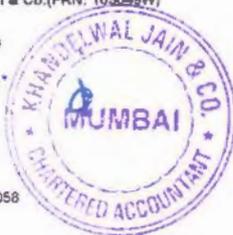
HDFC PENSION MANAGEMENT COMPANY LIMITED  
NATIONAL PENSION SYSTEM TRUST  
COMBINED BALANCE SHEET OF ALL PENSION SCHEMES AS AT MARCH 31, 2022

Particulars	Schedule	(In ₹)	
		March 31, 2022	March 31, 2021
<b>Liabilities</b>			
Unit Capital	1	1,07,41,19,64,214	68,19,65,95,181
Reserves and Surplus	2	1,76,72,66,58,126	95,64,35,47,152
Current Liabilities and Provisions	3	78,33,39,710	1,29,38,31,916
<b>Total</b>		<b>2,84,92,19,62,050</b>	<b>1,65,13,39,74,249</b>
<b>Assets</b>			
Investments	4	2,78,21,38,24,967	1,62,06,78,35,942
Deposits	5	2,63,33,48,000	-
Other Current Assets	6	4,07,47,89,083	3,06,61,38,307
<b>Total</b>		<b>2,84,92,19,62,050</b>	<b>1,65,13,39,74,249</b>
(a) Net assets as per Balance Sheets		2,84,13,86,22,340	1,63,84,01,42,333
(b) Number of units outstanding		10,74,11,96,420	6,81,96,59,517

For Khandelwal Jain & Co. (FRN: 105046W)

Chartered Accountants

Alpesh Waghela  
Partner  
Membership No. 142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Sriram Iyer  
(Chief Executive Officer)

Ragun Pancholi  
(Chief Financial Officer)

Nagesh Pai  
(Company Secretary)

Place : Mumbai  
Date :

Place : Mumbai  
Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

MUMBAI  
Place :  
Date : 24th JUNE 2022

Sh. Sashi Krishnan  
(Chief Executive Officer)



Shri Dinesh Kumar Mehrotra



HDFC PENSION MANAGEMENT COMPANY LIMITED  
NATIONAL PENSION SYSTEM TRUST  
COMBINED REVENUE ACCOUNT OF ALL PENSION SCHEMES FOR THE YEAR ENDED MARCH 31, 2022

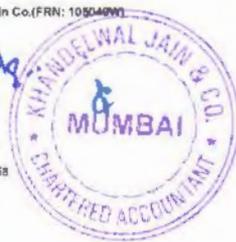
Particulars	Schedule	(In ₹)	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Dividend		1,12,09,15,852	59,77,06,018
Interest		7,97,76,55,308	4,74,26,02,751
Profit on sale/redemption of investments		1,32,17,05,020	2,23,50,11,173
Profit on inter-scheme transfer/sale of investments		-	30,03,233
Unrealised gain on appreciation in investments		13,75,79,25,955	23,73,09,97,491
Other Income		-	1,27,480
<b>Total Income (A)</b>		<b>24,17,82,02,135</b>	<b>31,30,94,48,146</b>
<b>Expenses and losses</b>			
Unrealised losses in value of investments		1,99,57,78,724	1,21,21,23,934
Loss on sale/redemption of investments		1,39,17,40,881	32,88,11,708
Management fees (including Good & Service tax)		19,01,91,483	1,40,95,617
NPS Trust Fees		1,09,41,292	59,72,719
Custodian fees		69,65,487	40,40,571
Depository and settlement charges		28,26,283	21,31,054
Stamp Duty on Bond/Mutual Fund		-	1,15,81,327
CRA fees		10,62,93,788	8,20,12,806
Less: Amount recoverable by sale of units on account of CRA Charges		(10,62,93,788)	(8,20,12,806)
Provision for Non-Performing Assets *		-	59,25,000
<b>Total Expenditure (B)</b>		<b>3,59,84,44,150</b>	<b>2,59,46,81,930</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>20,57,97,57,985</b>	<b>29,72,47,66,216</b>
Less: Amount transferred to Unrealised appreciation account		(13,11,63,81,043)	(16,66,21,62,805)
Less: Amount transferred to General Reserve		(7,46,33,76,942)	(13,05,26,03,411)
<b>Amount carried forward to Balance Sheet</b>			

\* 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.

For Khandelwal & Jain Co.(FRN: 105049W)

Chartered Accountant

Alpesh Waghela  
Partner  
Membership No. 142058



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

Vibha Padalkar  
(Director)

Niraj Shah  
(Director)

Bhram Yyer  
(Chief Executive Officer)

Ragun Pancholi  
(Chief Financial Officer)

Nagmah Pal  
(Company Secretary)

Place : Mumbai  
Date :

Place : Mumbai  
Date : April 22, 2022

For and on Behalf of NPS Trust

(Chairman, NPS Trust Board)

Place : **MUMBAI**  
Date :

**24th JUNE 2022**

**Shri Dinesh Kumar Mehrotra**



HDFC PENSION MANAGEMENT COMPANY LIMITED  
NATIONAL PENSION SYSTEM TRUST  
NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL PENSION SCHEMES AS AT MARCH 31, 2022

(In ₹)

Particulars	March 31,2022	March 31,2021
<b>Schedule 1 - Unit Capital</b>		
Outstanding at the beginning of the year	68,19,65,95,181	44,70,49,91,175
Add: Units issued during the year	49,47,48,11,096	28,69,09,80,388
Less: Units redeemed during the year	10,25,94,42,063	5,19,93,76,382
<b>Outstanding at the end of the year (₹)</b>	<b>1,07,41,19,64,214</b>	<b>68,19,65,95,181</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the year	6,81,96,59,517	4,47,04,99,118
Add: Units issued during the year	4,94,74,81,110	2,86,90,98,038
Less: Units redeemed during the year	1,02,59,44,208	51,99,37,639
<b>Outstanding Units at the end of the year</b>	<b>10,74,11,96,418</b>	<b>6,81,96,59,517</b>
<b>Schedule 2 - Reserves and Surplus</b>		
<b>Reserves and Surplus</b>		
<b>Unit Premium Reserve</b>		
Opening Balance	63,17,68,30,831	35,20,66,98,417
Add: Premium on Units issued	76,60,53,32,700	34,23,91,26,530
Less: Premium on Units redeemed	16,10,19,79,711	6,26,89,94,116
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>1,23,68,01,83,820</b>	<b>63,17,68,30,831</b>
<b>General Reserve</b>		
Opening Balance	14,56,71,91,569	1,50,45,88,158
Add: Transfer from Revenue Account	7,46,33,76,942	13,06,26,03,411
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>22,03,05,68,511</b>	<b>14,56,71,91,569</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	17,89,95,24,752	1,23,73,61,947
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	13,11,63,81,043	16,66,21,62,805
<b>Closing Balance</b>	<b>31,01,59,05,795</b>	<b>17,89,95,24,752</b>
<b>Total</b>	<b>1,76,72,66,58,126</b>	<b>95,64,35,47,152</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors for expenses	2,22,06,607	70,70,863
Redemption Payable	27,69,68,903	28,92,04,259
TDS Payable	17,13,365	1,42,212
Contract for Purchase of Investments	48,24,50,835	99,74,14,582
Interest received in Advance	-	-
<b>Total</b>	<b>78,33,39,710</b>	<b>1,29,38,31,916</b>



## HDFC PENSION MANAGEMENT COMPANY LIMITED

## NATIONAL PENSION SYSTEM TRUST

## NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL PENSION SCHEMES AS AT MARCH 31, 2022

(In ₹)

Particulars	March 31,2022	March 31,2021
<b>Schedule 4 - Investments</b>		
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	1,23,52,78,70,882	72,25,36,41,740
Debentures and Bonds Listed/Awaiting Listing	55,77,30,81,519	35,23,64,09,437
Central and State Government Securities (including treasury bills)	84,11,67,76,832	50,69,78,38,220
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/Commercial mortgage based Securities or Residential mortgage based securities	25,21,14,166	-
Basel III Tier I bonds	52,79,03,260	15,87,03,651
Others - Mutual Fund Units	14,01,60,78,308	3,72,12,42,894
Non Convertible Debentures classified as NPA	79,00,000	79,00,000
Less: Provision on Non performing investment *	(79,00,000)	(79,00,000)
<b>Total</b>	<b>2,78,21,38,24,967</b>	<b>1,62,06,78,35,942</b>
<b>Schedule 5 - Deposits</b>		
Deposits with Scheduled Banks	2,63,33,48,000	-
<b>Total</b>	<b>2,63,33,48,000</b>	<b>-</b>
<b>Schedule 6 - Other Current Assets</b>		
Balances with bank in current account	85,53,89,927	26,01,27,211
Contracts for sale of investments	1,717	60,45,31,587
Interest Receivable on Non-Performing Investments	55,96,817	55,96,817
Less: Provision for interest on Non-Performing Investment ^	(55,96,817)	(55,96,817)
Outstanding and accrued income	2,72,01,89,967	1,57,13,41,965
Brokerage receivable from PFM	-	1,84,580
Application money pending allotment	-	-
Dividend receivable	1,67,56,614	1,11,73,394
Sundry Debtors	48,24,50,858	61,87,79,571
Redemption receivable on Non performing Investment **	5,00,00,000	5,00,00,000
Less: Provision for Non Performing Investment	(5,00,00,000)	(5,00,00,000)
<b>Total</b>	<b>4,07,47,89,083</b>	<b>3,06,61,38,307</b>

\* 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.

\*\* Maturity proceeds receivable on 7.80% IL&FS Ltd. NCD Matured on 30-Nov-2020 and NPA Provision thereof.

^ Provision for interest on Non-Performing Investment includes 100% provision made for Interest due and accrued till the date of NPA classified securities.







## Schedule 7

### A. Notes to Consolidated Financial Statements

#### 1. Compliance of Investment Guidelines.

The Pension Funds have invested the contributions received from subscribers in the NPS Schemes in compliance of the Authority's investment guidelines.

#### 2. Details of Non-Performing Assets in Schemes as on 31<sup>st</sup> March 2022.

(Amount in ₹)

Sl	Scheme Name	Name of Security	Date of Purchase	Total Face Value	NPA Since
1	HPMC -C-T-I	7.80% IL&FS Ltd. NCD Mat 30-Nov-2020	14-Nov-2018	5,00,00,000	14 <sup>th</sup> February 2019
2	HPMC -C-T-I	9.50% IL & FS Ltd NCD Mat 28-Jul-2024.	28-Jul-2019	29,00,000	28 <sup>th</sup> October 2019
3	HPMC -C-T-I	9.55% IL & FS Ltd NCD Mat 13-Aug-2024.	13-Aug-2019	20,00,000	13 <sup>th</sup> November 2019
4	HPMC -C-T-I	8.69% IL & FS Ltd NCD Mat 25-Aug-2025.	25-Aug-2019	20,00,000	25 <sup>th</sup> November 2019
5	HPMC -C-T-II	8.69% IL & FS Ltd NCD Mat 25-Aug-2025.	25-Aug-2019	10,00,000	25 <sup>th</sup> November 2019

**NPA Provision and Accounting :-** 100% provision on Non-Performing Investments has been provided basis the NPS Trust communication ref: 1/16/2018-NPST/11514 dated 06th August 2019 on all IL&FS Ltd Bonds.

#### **Scheme C Tier I :-**

**During FY 2020:-** Rs. 5,23,56,903/- (including Interest) has been provided as provision for NPA and Rs. 51,75,000 provided as valuation discount on IL&FS Ltd. NCD's/Bond.

**During FY 2021:-** Rs 51,75,000/- earlier provided as valuation discount has been classified as provision for NPA.

#### **Scheme C tier II :-**

**During FY 2020** Rs. 3,31,900/- (including Interest) has been provided as provision for NPA and Rs. 7,50,000/- provided as valuation discount on IL&FS Ltd. NCD's/Bond.

**During FY 2021:-** Rs 7,50,000/- earlier provided as valuation discount has been classified as provision for NPA.

#### 3. Residual Units

The term "residual units" means units lying with the Central Recordkeeping Agency which have not been allotted to any subscriber due to the differences that arise due to rounding off units to four decimal places while allocating units to the individual subscriber accounts. The balance of residual units and their value as on 31<sup>st</sup> March 2022 in respect of all the 8 Schemes managed by the HDFC Pension Management Company Ltd was 2,463.0209 Units. (Previous year, 1,556.2754 Units)



4. Details of balances lying with Trustee Bank as on 31<sup>st</sup> March 2022.

(Amount in ₹)

Sl	Scheme	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1.	Scheme E Tier I	98,30,68,159	26,83,98,221
2.	Scheme E Tier II	78,14,104	66,25,646
3.	Scheme C Tier I	40,01,54,914	11,98,04,276
4.	Scheme C Tier II	33,73,971	39,61,232
5.	Scheme G Tier I	94,77,39,469	18,93,54,478
6.	Scheme G Tier II	68,60,907	68,53,583
7.	Scheme A Tier I	1,22,44,050	22,30,577
8.	Scheme Tax Saver T2	2,15,250	2,81,834
<b>Total</b>		<b>2,36,14,70,824</b>	<b>59,75,09,847</b>

5. Scheme wise redemptions due to collection of charges by Central Recordkeeping Agency from non-government subscribers.

(Amount in ₹)

	Scheme	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1.	Scheme E Tier I	5,36,15,413	3,84,34,261
2.	Scheme E Tier II	10,30,103	4,98,653
3.	Scheme C Tier I	2,06,14,009	1,74,28,626
4.	Scheme C Tier II	3,67,892	2,07,790
5.	Scheme G Tier I	2,97,73,623	2,48,91,290
6.	Scheme G Tier II	5,17,953	3,22,011
7.	Scheme A Tier I	3,74,795	2,30,175
8.	Scheme Tax Saver T2	-	-
<b>Total</b>		<b>10,62,93,788</b>	<b>8,20,12,806</b>

9. NAV as per Audited Scheme Financial Statements and NAV declared by Pension Funds to Central Record Keeping Agency (CRA) as on 31<sup>st</sup> March 2022.

On comparison of the NAV of Schemes declared by the Pension Funds to CRA on 31st March 2022 with the NAV derived from the audited Scheme Financials, the following differences were observed which is within the limit of 1% as prescribed under clause 2(i) I(iii) of Valuation Policies of Schedule (A) of the PFRDA (Preparation of Financial Statements and Auditor's Report of schemes under National Pension System) Guidelines - 2012:



PF Name	Scheme Name	Audited Scheme Financials	Declared by CRA	(Amount in ₹)
				Difference
HDFC PENSION MANAGEMENT COMPANY LIMITED	Scheme E Tier I	34.3497	34.3497	-
	Scheme E Tier II	29.6407	29.6407	-
	Scheme C Tier I	22.8857	22.8857	-
	Scheme C Tier II	21.4289	21.4289	-
	Scheme G Tier I	21.9502	21.9502	-
	Scheme G Tier II	22.2530	22.2530	-
	Scheme A Tier I	15.9568	15.9568	-
	Scheme Tax Saver T2	10.6427	10.6427	-

Signatures to Schedules 1 to 7 forming part of the Balance Sheet and Revenue Account.

For Khandelwal Jain & Co.  
Chartered Accountants  
(FRN: 105049W)

*Alpesh Waghele*  
Alpesh Waghele  
Partner  
Membership No.: 142058



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

*Vibha Padalkar*  
Vibha Padalkar  
Director

*Niraj Shah*  
Niraj Shah  
Director

*Sriram Iyer*  
Sriram Iyer  
Chief Executive Officer

*Fagun Pancholi*  
Fagun Pancholi  
Chief Financial Officer

*Nagesh Pai*  
Nagesh Pai  
Company Secretary

Date: 24<sup>th</sup> JUNE 2022  
Place: Mumbai

Date: April 22, 2022  
Place: Mumbai

For and on behalf of National Pension System Trust

*Shri Dinesh Kumar Mehrotra*  
Shri Dinesh Kumar Mehrotra  
(Chairman, NPS Trust Board)

*Sh. Sashi Krishnan*  
Sh. Sashi Krishnan  
(Chief Executive Officer)

Shri Dinesh Kumar Mehrotra

