

**NATIONAL PENSION SYSTEM TRUST**  
**UTI RETIREMENT SOLUTIONS LIMITED**  
**CONDENSED INTERIM COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	66351 09 03 866	61802 34 76 229	57463 31 05 542
Reserves and Surplus	2	151163 47 48 139	140116 17 72 045	129253 35 66 516
Current Liabilities and Provisions	3	136 48 34 211	81 38 90 824	255 89 16 337
<b>Total</b>		<b>217651 04 86 216</b>	<b>201999 91 39 098</b>	<b>186972 55 88 395</b>
<b>Assets</b>				
Investments	4	213499 31 41 941	198372 43 88 565	183316 14 73 426
Deposits	5	-	-	-
Other Current Assets	6	4151 73 44 275	3627 47 50 533	3656 41 14 969
<b>Total</b>		<b>217651 04 86 216</b>	<b>201999 91 39 098</b>	<b>186972 55 88 395</b>
(a) Net assets as per Balance Sheets		217514 56 52 005	201918 52 48 274	186716 66 72 058
(b) Number of units outstanding		6635 10 90 386	6180 23 47 621	5746 33 10 552
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**UTI RETIREMENT SOLUTIONS LIMITED**  
**CONDENSED INTERIM COMBINED REVENUE ACCOUNT OF ALL SCHEMES FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		261 23 22 176	117 96 31 247	213 80 96 676
Interest		6331 48 53 699	5611 71 87 698	5120 12 31 028
Profit on sale/redemption of investments		646 57 16 675	654 15 46 472	744 69 31 841
Profit on inter-scheme transfer/sale of investments		-	-	9 51 491
Unrealized gain on appreciation in investments		2115 59 48 379	1189 61 81 106	5235 72 48 725
Other income				
- Miscellaneous Income		59	316	74
<b>Total Income (A)</b>		<b>9354 88 40 988</b>	<b>7573 45 46 839</b>	<b>11314 44 59 835</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		7990 26 50 544	5984 37 05 464	956 97 81 486
Loss on sale/redemption of investments		90 61 68 403	84 25 48 486	21 62 54 494
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		58 06 02 972	55 23 61 967	52 60 30 897
NPS Trust fees		5 20 02 147	4 81 78 801	4 42 85 653
Custodian fees (including GST)		78 282	3 06 61 729	2 87 82 970
Depository and settlement charges (including GST)		74 13 727	65 58 790	49 65 869
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		18 13 69 198	16 56 59 488	13 96 31 605
Less: Amount recoverable on sale of units on account of CRA Charges		(18 13 69 198)	(16 56 59 488)	(13 96 31 605)
Provision for Non-Performing Assets		-	-	-
Other Expenses		28	23	36
<b>Total Expenditure (B)</b>		<b>8144 89 16 103</b>	<b>6132 40 15 260</b>	<b>1039 01 01 405</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>1209 99 24 885</b>	<b>1441 05 31 579</b>	<b>10275 43 58 430</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		5874 67 02 165	4794 75 24 358	(4278 74 67 239)
Less: Amount transferred (to) / from General Reserve		(7084 66 27 050)	(6235 80 55 937)	(5996 68 91 191)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED**

**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	61802 34 76 229	57463 31 05 542	54090 14 94 714
Add :Units issued during the year	5428 79 56 224	4995 97 13 344	3868 08 45 543
Less: Units redeemed during the year	(880 05 28 587)	(656 93 42 657)	(494 92 34 715)
<b>Outstanding at the end of the year</b>	<b>66351 09 03 866</b>	<b>61802 34 76 229</b>	<b>57463 31 05 542</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	6180 23 47 621	5746 33 10 552	5409 01 49 469
Add :Units issued during the year	542 87 95 626	499 59 71 336	386 80 84 554
Less: Units redeemed during the year	(88 00 52 860)	(65 69 34 266)	(49 49 23 471)
<b>Outstanding units at the end of the year</b>	<b>6635 10 90 386</b>	<b>6180 23 47 621</b>	<b>5746 33 10 552</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	78458 18 57 200	69036 41 83 250	62178 00 38 318
Add: Premium on Units issued	11775 06 99 621	10878 13 81 534	7901 10 47 257
Less: Premium on Units redeemed	(1937 76 48 412)	(1456 37 07 584)	(1042 69 02 325)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>88295 49 08 409</b>	<b>78458 18 57 200</b>	<b>69036 41 83 250</b>
<b>General Reserve</b>			
Opening Balance	47494 43 69 581	41258 63 13 644	35261 94 22 453
Add: Transfer from Revenue Account	7084 66 27 050	6235 80 55 937	5996 68 91 191
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>54579 09 96 631</b>	<b>47494 43 69 581</b>	<b>41258 63 13 644</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	14163 55 45 264	18958 30 69 622	14679 56 02 383
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(5874 67 02 165)	(4794 75 24 358)	4278 74 67 239
Closing Balance	<b>8288 88 43 099</b>	<b>14163 55 45 264</b>	<b>18958 30 69 622</b>
<b>Total</b>	<b>151163 47 48 139</b>	<b>140116 17 72 045</b>	<b>129253 35 66 516</b>
<b>Schedule 3</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	10 51 73 459	11 98 55 276	27 14 64 036
Book Overdraft	-	-	-
Redemption Payable	38 83 77 510	46 96 49 927	39 09 76 879
TDS Payable	83 30 975	86 85 621	80 24 067
Contracts for purchase of investments	86 29 52 267	-	188 84 51 355
Amount Payable to Other Schemes	-	21 57 00 000	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>136 48 34 211</b>	<b>81 38 90 824</b>	<b>255 89 16 337</b>

**NATIONAL PENSION SYSTEM TRUST  
UTI RETIREMENT SOLUTIONS LIMITED**

**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE COMBINED BALANCE SHEET OF ALL SCHEMES AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	31184 53 61 725	29076 17 38 167	28142 12 53 292
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	58784 57 76 872	56070 02 33 106	57504 07 40 022
Central and State Government Securities (including treasury bills)	114678 34 85 056	104118 07 55 593	92948 70 27 945
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	2 99 07 945	-	-
Basel III Tier I bonds	875 82 22 415	5 32 47 967	3 89 53 844
Others - Mutual Fund Units	7973 03 87 928	9102 84 13 732	4717 34 98 323
Non Convertible Debentures classified as NPA	260 00 00 000	325 00 00 000	431 00 00 000
Less: Provision on Non performing investment	(260 00 00 000)	(325 00 00 000)	(431 00 00 000)
<b>Total</b>	<b>213499 31 41 941</b>	<b>198372 43 88 565</b>	<b>183316 14 73 426</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	3 20 88 669	72 64 25 005	30 05 00 008
Contracts for sale of investments	51 69 63 889	-	-
Interest Receivable on Non-Performing Investments	64 64 59 317	64 64 59 317	64 64 59 317
Less: Provision for interest on Non-Performing Investment	(64 64 59 317)	(64 64 59 317)	(64 64 59 317)
Outstanding and accrued income	4043 68 40 371	3528 61 98 570	3508 18 62 196
Dividend Receivable	1 53 95 681	4 61 38 824	44 30 66 521
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	51 60 55 665	21 59 88 134	73 86 86 244
Redemption receivable on Non performing Investment	357 00 00 000	292 00 00 000	186 00 00 000
Less: Provision for Non Performing Investment	(357 00 00 000)	(292 00 00 000)	(186 00 00 000)
<b>Total</b>	<b>4151 73 44 275</b>	<b>3627 47 50 533</b>	<b>3656 41 14 969</b>

# NATIONAL PENSION SYSTEM TRUST

## NPS Trust A/c - UTI Retirement Solutions Limited all Schemes

### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

#### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations is given below :-

Sr. No.	Name of Scheme	Date of Inception
1.	Scheme E - Tier I	21 <sup>st</sup> May, 2009
2.	Scheme E - Tier II	14 <sup>th</sup> December, 2009
3.	Scheme C - Tier I	21 <sup>st</sup> May, 2009
4.	Scheme C - Tier II	14 <sup>th</sup> December, 2009
5.	Scheme G - Tier I	21 <sup>st</sup> May, 2009
6.	Scheme G - Tier II	14 <sup>th</sup> December, 2009
7.	Scheme A - Tier I	14 <sup>th</sup> October, 2016
8.	Scheme Tax Saver - Tier II	4 <sup>th</sup> September, 2020
9.	Scheme - Central Govt.	1 <sup>st</sup> April, 2008
10.	Scheme - State Govt.	25 <sup>th</sup> June, 2009
11.	NPS Lite Scheme - Govt. Pattern	4 <sup>th</sup> October, 2010
12.	Scheme - Corporate CG	5 <sup>th</sup> November, 2012
13.	Atal Pension Yojana	4 <sup>th</sup> June, 2015

3. Investment pattern to be followed as per PFRDA Regulations:

Sr. No.	Name of Scheme	Investment Objective
1.	Scheme E - Tier I	<p>To optimize returns through investments in:-</p> <p>(a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which are in top 200 stocks in terms of full market capitalization as on the date of investment.</p> <p>(b) Units of Equity Schemes of mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body, corporates listed on BSE or NSE.</p>
2.	Scheme E - Tier II	<p>(c) Exchange Traded Funds (ETFs)/Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Sensex Index or NSE Nifty 50 Index.</p> <p>(d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.</p> <p>(e) Exchange traded derivatives regulated by the Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.</p> <p>(f) Initial Public Offering (IPO), Follow on Public Offer (FPO) and Offer for Sale (OFS) of companies, approved by SEBI.</p>
3.	Scheme C - Tier I	<p>To optimize returns through investments in: -</p> <p>a. Listed (or proposed to be listed) debt securities issued by bodies corporate, including banks and public financial institutions, which have a minimum residual maturity period of three years or less than three years from the date of investment;</p>
4.	Scheme C - Tier II	<p>b. Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines;</p> <p>c. Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank; and</p> <p>d. Term deposit Receipts of not less than one year duration issued by scheduled commercial banks.</p>

5.	Scheme G - Tier I	To optimize returns through investments in: - a. Government Securities; b. Other Securities the principal whereof and interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government; and c. Units of mutual funds set up as dedicated funds for investment in Government securities and regulated by the SEBI.												
6.	Scheme G - Tier II													
7.	Scheme A - Tier I	To optimize returns through investments in: - a. Commercial mortgage based securities or Residential mortgaged based securities b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India c. Asset backed securities regulated by the Securities and Exchange Board of India d. Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India e. Alternative Investment Funds (AIF Category I & II) registered with Securities and Exchange Board of India.												
8.	Scheme Tax Saver - Tier II	To optimize returns by investing in the instruments as per the following prescribed limits: - <table border="1" data-bbox="685 1062 1395 1213"> <thead> <tr> <th>Instrument</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>Equity*</td> <td>10%-25%</td> </tr> <tr> <td>Debt**</td> <td>Upto 90%</td> </tr> <tr> <td>Cash/Money Market/Liquid MFs</td> <td>Upto 5%</td> </tr> </tbody> </table> * Investment guidelines as applicable for Scheme E - Tier II ** Investment guidelines as applicable for Scheme G - Tier II and Scheme C - Tier II	Instrument	Limit	Equity*	10%-25%	Debt**	Upto 90%	Cash/Money Market/Liquid MFs	Upto 5%				
Instrument	Limit													
Equity*	10%-25%													
Debt**	Upto 90%													
Cash/Money Market/Liquid MFs	Upto 5%													
9.	Scheme - Central Govt.	To optimize returns by investing in the instruments as per the following prescribed limits: - <table border="1" data-bbox="685 1499 1395 1833"> <thead> <tr> <th>Instrument</th> <th>Limit</th> </tr> </thead> <tbody> <tr> <td>Govt. Securities</td> <td>Upto 55%</td> </tr> <tr> <td>Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.</td> <td>Upto 45%</td> </tr> <tr> <td>Short Term Debt Instruments and related investments</td> <td>Upto 10%</td> </tr> <tr> <td>Equity and related investments</td> <td>Upto 15%</td> </tr> <tr> <td>Asset Backed, Trust Structured and Miscellaneous Investments</td> <td>Upto 5%</td> </tr> </tbody> </table>	Instrument	Limit	Govt. Securities	Upto 55%	Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%	Short Term Debt Instruments and related investments	Upto 10%	Equity and related investments	Upto 15%	Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%
Instrument	Limit													
Govt. Securities	Upto 55%													
Debt Securities i.e. Corporate Bonds, Term Deposit Receipts etc.	Upto 45%													
Short Term Debt Instruments and related investments	Upto 10%													
Equity and related investments	Upto 15%													
Asset Backed, Trust Structured and Miscellaneous Investments	Upto 5%													
10.	Scheme - State Govt.													
11.	NPS Lite Scheme - Govt. Pattern													
12.	Scheme - Corporate CG													
13.	Atal Pension Yojana													



4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
4. **Investments:**
  - a. Investments are accounted on trade date.

- b. In determining the holding cost of investments and the gains or loss on sale of investments, the “weighted average cost” method is followed.
- c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.
- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March’ 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April’ 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24’ 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April ’21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18’ 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

**5. Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.

- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.

- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

**i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

**ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded

where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

**7. Non Performing Investments:**

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

**Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

**8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

- 9. Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021. The Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the period is ₹ 58,06,02,972/- . (Previous Period ₹ 55,23,61,967/-).

**F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are ₹ 5,20,02,147/- (Previous Period ₹ 4,81,78,801/-).

**G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
80,058.94	38.58	52,680.58	25.39	60,218.35	31.15	38,393.39	19.86

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ 37,000.74 Crores (Previous Period ₹ 24,169.12 Crores).

I. **Net Asset Value:**

Sr. No.	Name of Scheme	Current Period	Previous Period
		As on 30th Sept, 2022 (in ₹)	As on 31st March, 2022 (in ₹)
1.	Scheme E – Tier I	44.8389	44.3170
2.	Scheme E – Tier II	36.5915	36.3300
3.	Scheme C – Tier I	30.8030	30.8564
4.	Scheme C – Tier II	29.5225	29.5268
5.	Scheme G – Tier I	28.4667	28.2757
6.	Scheme G – Tier II	29.2199	29.0658
7.	Scheme A – Tier I	14.7835	14.1559
8.	Scheme Tax Saver – Tier II	10.7191	10.5347
9.	Scheme - Central Govt	36.3864	36.2222
10.	Scheme - State Govt.	32.3787	32.2250
11.	NPS Lite Scheme – Govt. Pattern	30.1666	30.0711
12.	Scheme - Corporate CG	10.0000	10.0000
13.	Atal Pension Yojana	18.5942	18.5123

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
9,354.88	4.51	8,144.89	3.92	7,573.45	3.92	6,132.40	3.17

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

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



**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

₹ in Crores

Particular	As on 30th Sept, 2022****	As on 31st March, 2022****
Book Value	617.00	617.00
Provision for NPA	617.00	617.00
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.28	0.31

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure A).

N. Contingent liability as on 30<sup>th</sup> September, 2022 is ₹ 30,81,83,273 towards uncalled amount of ₹ 401.25 per shares on 7,68,058 Partly Paid shares of Bharti Airtel Limited. (Previous Period ₹ 30,81,83,273).

O. Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 30<sup>th</sup> September, 2022 is ₹ NIL. (Previous Period ₹ Nil).

P. As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

Q. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 46,548.90	₹ 4,293.92	₹ 38,022.77	₹ 5,751.80

- R. Portfolio:** Please refer scheme wise financials for industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022.
- S.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	10.50% ILFS FIN. SER. 17/09/2018	20.00	17-Dec-18	20.00	20.00
2	9.65% ILFS FIN SER 18/09/2019	20.00	18-Dec-18	20.00	20.00
3	9.54% ILFS FIN. SER. LTD. 28/09/2022	15.00	28-Dec-18	15.00	15.00
4	8.50% ILFS FIN. SER. LTD. 30/09/2026	25.00	01-Jan-19	25.00	25.00
5	8.65% ILFS FIN. SER. LTD. 06/12/2021	50.00	06-Mar-19	50.00	50.00
6	8.68% ILFS FIN. SER. LTD. 05/12/2026	20.00	06-Mar-19	20.00	20.00
7	10.30% ILFS 28/12/2021	30.00	28-Mar-19	30.00	30.00
8	10.30% ILFS FIN SER 22/03/2022	16.00	22-Jun-19	16.00	16.00
9	8.75% ILFS FIN. SER. LTD. 28/03/2023	30.00	28-Jun-19	30.00	30.00
10	9.55% ILFS FIN. SER. 28/02/2023	15.00	28-May-19	15.00	15.00
11	8.90% ILFS FIN. SER. LTD. 26/03/2021	25.00	28-Jun-19	25.00	25.00
12	8.65% ILFS FIN. SER. LTD. 18/07/2021	25.00	18-Oct-19	25.00	25.00
13	8.75% ILFS FIN. SER. LTD. 31/07/2021	25.00	01-Nov-19	25.00	25.00
14	10.15% ILFS FIN SER 29/06/2022	25.00	29-Sep-19	25.00	25.00
15	8.75% ILFS FIN. SER. LTD. 14/08/2026	25.00	16-Nov-19	25.00	25.00
16	8.51% ILFS FIN. SER. LTD. 11/09/2026	25.00	12-Dec-19	25.00	25.00
<b>TOTAL</b>		<b>391.00</b>		<b>391.00</b>	<b>391.00</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	9.98% ILFS 05/12/2018	20.00	05-Mar-19	20.00	20.00
2	9.00% ILFS 28/12/2024	15.00	29-Mar-19	15.00	15.00
3	8.75% ILFS 23/01/2025	10.00	23-Apr-19	10.00	10.00
4	9.82% ILFS 24/01/2022	10.00	24-Apr-19	10.00	10.00
5	8.30% ILFS 24/01/2023	50.00	24-Apr-19	50.00	50.00
6	9.95% ILFS 04/02/2019	20.00	04-May-19	20.00	20.00
7	9.70% ILFS 22/02/2021	14.00	22-May-19	14.00	14.00
8	8.90% ILFS 15/03/2021	7.00	15-Jun-19	7.00	7.00
9	9.68% ILFS 25/07/2021	10.00	25-Oct-19	10.00	10.00
10	8.06% ILFS 11/05/2022	25.00	11-Aug-19	25.00	25.00
11	9.50% ILFS 28/07/2024	5.00	29-Oct-19	5.00	5.00
12	9.55% ILFS 13/08/2024	15.00	13-Nov-19	15.00	15.00
13	8.69% ILFS 25/08/2025	25.00	26-Nov-19	25.00	25.00
<b>TOTAL</b>		<b>226.00</b>		<b>226.00</b>	<b>226.00</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	298 70 53 026	279 71 29 212	247 42 20 704
Reserves and Surplus	2	1040 65 79 618	959 89 30 195	865 42 99 002
Current Liabilities and Provisions	3	1 59 67 692	93 87 685	1 83 60 626
<b>Total</b>		<b>1340 96 00 336</b>	<b>1240 54 47 092</b>	<b>1114 68 80 332</b>
<b>Assets</b>				
Investments	4	1340 91 79 255	1240 42 50 978	1112 91 39 173
Deposits	5	-	-	-
Other Current Assets	6	4 21 081	11 96 114	1 77 41 159
<b>Total</b>		<b>1340 96 00 336</b>	<b>1240 54 47 092</b>	<b>1114 68 80 332</b>
(a) Net assets as per Balance Sheets		1339 36 32 644	1239 60 59 407	1112 85 19 706
(b) Number of units outstanding		29 87 05 303	27 97 12 921	24 74 22 070
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		10 78 77 253	4 46 94 880	7 91 62 341
Interest		23 518	10 386	10 137
Profit on sale/redemption of investments		10 38 59 559	9 92 69 211	3 66 85 368
Profit on inter-scheme transfer/sale of investments		-	-	9 17 608
Unrealized gain on appreciation in investments		94 78 04 113	46 15 51 975	171 02 90 918
Other income				
- Miscellaneous Income		-	27	-
<b>Total Income (A)</b>		<b>115 95 64 443</b>	<b>60 55 26 479</b>	<b>182 70 66 372</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		92 86 83 993	72 92 95 638	2 71 87 394
Loss on sale/redemption of investments		5 31 41 679	3 48 21 565	33 74 119
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		35 49 122	33 06 604	29 09 212
NPS Trust fees		3 17 955	2 88 405	2 45 069
Custodian fees (including GST)		843	1 35 766	1 27 190
Depository and settlement charges (including GST)		36 788	23 934	18 112
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		20 81 787	21 45 766	20 10 576
Less: Amount recoverable on sale of units on account of CRA Charges		( 20 81 787)	( 21 45 766)	( 20 10 576)
Provision for Non-Performing Assets		-	-	-
Other Expenses		1	-	3
<b>Total Expenditure (B)</b>		<b>98 57 30 381</b>	<b>76 78 71 912</b>	<b>3 38 61 099</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>17 38 34 062</b>	<b>(16 23 45 433)</b>	<b>179 32 05 273</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		(1 91 20 120)	26 77 43 663	(168 31 03 524)
Less: Amount transferred (to) / from General Reserve		(15 47 13 942)	(10 53 98 230)	(11 01 01 749)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	279 71 29 212	247 42 20 704	232 54 23 717
Add :Units issued during the year	36 71 33 341	49 24 93 792	35 26 36 471
Less: Units redeemed during the year	(17 72 09 527)	(16 95 85 284)	(20 38 39 484)
<b>Outstanding at the end of the year</b>	<b>298 70 53 026</b>	<b>279 71 29 212</b>	<b>247 42 20 704</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	27 97 12 921	24 74 22 070	23 25 42 372
Add :Units issued during the year	3 67 13 334	4 92 49 379	3 52 63 647
Less: Units redeemed during the year	(1 77 20 953)	(1 69 58 529)	(2 03 83 948)
<b>Outstanding units at the end of the year</b>	<b>29 87 05 303</b>	<b>27 97 12 921</b>	<b>24 74 22 070</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	541 85 95 392	431 16 18 766	384 06 73 311
Add: Premium on Units issued	123 13 04 918	169 43 28 792	109 69 89 358
Less: Premium on Units redeemed	(59 74 89 557)	(58 73 52 166)	(62 60 43 903)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>605 24 10 753</b>	<b>541 85 95 392</b>	<b>431 16 18 766</b>
<b>General Reserve</b>			
Opening Balance	53 36 51 844	42 82 53 614	31 81 51 865
Add: Transfer from Revenue Account	15 47 13 942	10 53 98 230	11 01 01 749
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>68 83 65 786</b>	<b>53 36 51 844</b>	<b>42 82 53 614</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	364 66 82 959	391 44 26 622	223 13 23 098
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	1 91 20 120	(26 77 43 663)	168 31 03 524
Closing Balance	<b>366 58 03 079</b>	<b>364 66 82 959</b>	<b>391 44 26 622</b>
<b>Total</b>	<b>1040 65 79 618</b>	<b>959 89 30 195</b>	<b>865 42 99 002</b>
<b>Schedule 3</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	6 54 376	6 71 854	15 29 619
Book Overdraft	-	-	-
Redemption Payable	1 04 19 818	86 65 294	1 67 84 194
TDS Payable	52 173	50 537	46 813
Contracts for Purchase of Investments	48 41 325	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>1 59 67 692</b>	<b>93 87 685</b>	<b>1 83 60 626</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME E - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	1302 50 95 228	1172 56 19 726	1070 92 22 169
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	38 40 84 027	67 86 31 252	41 99 17 004
Non Convertible Debentures classified as NPA	-	-	-
Less: Provision on Non performing investment	-	-	-
<b>Total</b>	<b>1340 91 79 255</b>	<b>1240 42 50 978</b>	<b>1112 91 39 173</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	1	1	-
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	-	-	-
Dividend Receivable	4 21 080	11 96 113	1 77 41 159
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>4 21 081</b>	<b>11 96 114</b>	<b>1 77 41 159</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme E - Tier I

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.



3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipts of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 21<sup>st</sup> May, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which are in top 200 stocks in terms of full market capitalization as on the date of investment.
  - (b) Units of Mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.
  - (c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Index or NSE Nifty 50 Index.
  - (d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.

- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub - categories (a) to (d) above.

- 4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### C. Significant Accounting Policies

- 1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
- 3. **Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of

approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.

**4. Investments:**

- a. Investments are accounted on trade date.
- b. In determining the holding cost of investments and the gains or loss on sale of investments, the “weighted average cost” method is followed.
- c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.
- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March’ 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April’ 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24’ 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April ’21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18’ 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

**5. Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:**

The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the

prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The aggregate net change in unrealized gain or loss between two balance sheet dates is recognized in the revenue account. Later, the change in unrealized gain (net) in the value of investment is transferred from/to unrealized appreciation reserve through appropriation account.
7. **Income Recognition:**
  - a. Dividend income is accrued on the “ex-dividend” date.
  - b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis
  - e. Profit /Loss of sale of Investment
    1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
    2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.
8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 35,49,122. (Previous Period ₹ 33,06,604).

- E. Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.
- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 3,17,955	₹ 2,88,405

- G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
669.06	52.73	571.61	45.05	745.71	64.42	596.18	51.50

H. The aggregate value of non-traded investments (other than government securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ NIL. (Previous Period ₹ NIL).

I. **Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 44.8389	₹ 44.3170

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
115.96	9.14	98.57	7.77	60.55	5.23	76.79	6.63

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

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

M. Contingent liability as on 30<sup>th</sup> September, 2022 is ₹ 1,16,92,826 towards uncalled amount of ₹ 401.25 per shares on 29,141 Partly Paid shares of Reliance Industries Limited. (Previous Period ₹ 1,16,92,826).

N. **Other disclosures:**

Particulars	Current Period	Previous Period
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil



- O. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 497.94	₹ 38.41	₹ 518.72	₹ 67.86

- P. **Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.

- Q. Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	12,70,035	1,09,47,70,170	8.17	8.41
HDFC BANK LTD.	5,80,674	82,53,40,990	6.16	6.34
STATE BANK OF INDIA	9,86,287	52,33,23,882	3.91	4.02
AXIS BANK LTD.	5,96,943	43,76,78,608	3.27	3.36
KOTAK MAHINDRA BANK LTD.	2,06,195	37,51,09,944	2.80	2.88
INDUSIND BANK LTD.	1,05,117	12,45,84,668	0.93	0.96
YES BANK	46,402	7,26,191	0.01	0.01
		<b>3,38,15,34,453</b>	<b>25.25</b>	<b>25.98</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	5,67,862	80,26,44,544	5.99	6.16
WIPRO LTD.	2,68,000	10,56,59,000	0.79	0.81
HCL TECHNOLOGIES LIMITED	77,900	7,26,30,065	0.54	0.56
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED	5,200	1,55,09,000	0.12	0.12
		<b>99,64,42,609</b>	<b>7.44</b>	<b>7.65</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	3,81,321	90,66,86,008	6.77	6.96
		<b>90,66,86,008</b>	<b>6.77</b>	<b>6.96</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	18 96 25 753	19 26 17 708	16 58 74 167
Reserves and Surplus	2	50 42 44 330	50 71 63 865	44 83 39 887
Current Liabilities and Provisions	3	5 59 353	21 71 905	35 45 730
<b>Total</b>		<b>69 44 29 436</b>	<b>70 19 53 478</b>	<b>61 77 59 784</b>
<b>Assets</b>				
Investments	4	69 43 99 585	70 19 04 545	61 64 34 568
Deposits	5	-	-	-
Other Current Assets	6	29 851	48 933	13 25 216
<b>Total</b>		<b>69 44 29 436</b>	<b>70 19 53 478</b>	<b>61 77 59 784</b>
(a) Net assets as per Balance Sheets		69 38 70 083	69 97 81 573	61 42 14 054
(b) Number of units outstanding		1 89 62 575	1 92 61 771	1 65 87 417
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		60 48 424	24 80 947	45 55 923
Interest		-	1 259	1 054
Profit on sale/redemption of investments		64 94 724	60 74 731	14 94 043
Profit on inter-scheme transfer/sale of investments		-	-	33 883
Unrealized gain on appreciation in investments		4 62 83 655	2 60 31 820	9 08 51 846
Other income				
- Miscellaneous Income		6	-	-
<b>Total Income (A)</b>		<b>5 88 26 809</b>	<b>3 45 88 757</b>	<b>9 69 36 749</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		4 94 48 690	4 44 00 443	19 16 310
Loss on sale/redemption of investments		35 48 031	24 45 615	3 05 787
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		1 89 768	1 88 065	1 51 640
NPS Trust fees		16 997	16 405	12 778
Custodian fees (including GST)		49	7 822	6 257
Depository and settlement charges (including GST)		2 648	1 741	969
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		50 094	65 773	55 811
Less: Amount recoverable on sale of units on account of CRA Charges		( 50 094)	( 65 773)	( 55 811)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	8	6
<b>Total Expenditure (B)</b>		<b>5 32 06 183</b>	<b>4 70 60 099</b>	<b>23 93 747</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>56 20 626</b>	<b>(1 24 71 342)</b>	<b>9 45 43 002</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		31 65 035	1 83 68 623	(8 89 35 536)
Less: Amount transferred (to) / from General Reserve		( 87 85 661)	( 58 97 281)	( 56 07 466)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	19 26 17 708	16 58 74 167	14 32 49 313
Add :Units issued during the year	3 44 44 743	5 84 45 174	5 00 88 798
Less: Units redeemed during the year	(3 74 36 698)	(3 17 01 633)	(2 74 63 944)
<b>Outstanding at the end of the year</b>	<b>18 96 25 753</b>	<b>19 26 17 708</b>	<b>16 58 74 167</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	1 92 61 771	1 65 87 417	1 43 24 931
Add :Units issued during the year	34 44 474	58 44 518	50 08 880
Less: Units redeemed during the year	( 37 43 670)	( 31 70 164)	( 27 46 394)
<b>Outstanding units at the end of the year</b>	<b>1 89 62 575</b>	<b>1 92 61 771</b>	<b>1 65 87 417</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	26 89 63 535	19 76 68 215	14 19 35 727
Add: Premium on Units issued	8 74 95 187	15 54 67 163	12 05 74 613
Less: Premium on Units redeemed	(9 60 35 348)	(8 41 71 843)	(6 48 42 125)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>26 04 23 374</b>	<b>26 89 63 535</b>	<b>19 76 68 215</b>
<b>General Reserve</b>			
Opening Balance	3 52 80 674	2 93 83 393	2 37 75 927
Add: Transfer from Revenue Account	87 85 661	58 97 281	56 07 466
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>4 40 66 335</b>	<b>3 52 80 674</b>	<b>2 93 83 393</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	20 29 19 656	22 12 88 279	13 23 52 743
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	( 31 65 035)	(1 83 68 623)	8 89 35 536
Closing Balance	<b>19 97 54 621</b>	<b>20 29 19 656</b>	<b>22 12 88 279</b>
<b>Total</b>	<b>50 42 44 330</b>	<b>50 71 63 865</b>	<b>44 83 39 887</b>
<b>Schedule 3</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	34 048	38 527	81 260
Book Overdraft	-	-	-
Redemption Payable	5 22 607	21 30 488	34 61 917
TDS Payable	2 698	2 890	2 553
Contracts for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>5 59 353</b>	<b>21 71 905</b>	<b>35 45 730</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME E - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	68 03 22 895	66 80 36 029	58 99 44 813
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	1 40 76 690	3 38 68 516	2 64 89 755
Non Convertible Debentures classified as NPA	-	-	-
Less: Provision on Non performing investment	-	-	-
<b>Total</b>	<b>69 43 99 585</b>	<b>70 19 04 545</b>	<b>61 64 34 568</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	1	1	1
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	-	-	-
Dividend Receivable	29 850	48 932	13 25 215
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>29 851</b>	<b>48 933</b>	<b>13 25 216</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust – A/C UTI Retirement Solutions Scheme E – Tier II

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme – wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - (a) Shares of body corporates listed on Bombay Stock Exchange (BSE) or National Stock Exchange (NSE), which are in top 200 stocks in terms of full market capitalization as on the date of investment.
  - (b) Units of Mutual funds regulated by the Securities and Exchange Board of India, which have minimum 65% of their investment in shares of body corporates listed on BSE or NSE.
  - (c) Exchange Traded Funds (ETFs) / Index Funds regulated by the Securities and Exchange Board of India that replicate the portfolio of either BSE Index or NSE Nifty 50 Index.
  - (d) ETFs issued by SEBI regulated Mutual Funds constructed specifically for disinvestment of shareholding of the Government of India in body corporates.



- (e) Exchange traded derivatives regulated by Securities and Exchange Board of India having the underlying of any permissible listed stock or any of the permissible indices, with the sole purpose of hedging.

Provided that the portfolio invested in derivatives in terms of contract value shall not be in excess of 5% of the total portfolio invested in sub - categories (a) to (d) above.

- 4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### C. Significant Accounting Policies

- 1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
- 3. **Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of

approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.

#### **4. Investments:**

- a. Investments are accounted on trade date.
- b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
- c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.
- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.
- iii. **Right entitlement:**
  - a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
  - b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:**

The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the

prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The aggregate net change in unrealized gain or loss between two balance sheet dates is recognized in the

revenue account. Later, the change in unrealized gain (net) in the value of investment is transferred from/to unrealized appreciation reserve through appropriation account.

7. **Income Recognition:**
  - a. Dividend income is accrued on the “ex-dividend” date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
  - e. Profit /Loss of sale of Investment
    1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
    2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.
8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

**D. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme’s average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 1,89,768. (Previous Period ₹ 1,88,065).

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

**F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 16,997	₹ 16,405

**G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
36.29	53.52	37.02	54.60	73.61	111.78	63.35	96.20

**H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ NIL. (Previous Period ₹ NIL).

**I. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 36.5915	₹ 36.3300

**J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
5.88	8.68	5.32	7.85	3.46	5.25	4.71	7.15

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Contingent liability** as on 30<sup>th</sup> September, 2022 is ₹ 5,48,509 towards uncalled amount of ₹ 401.25 per shares on 1,367 Partly Paid shares of Bharti Airtel Limited. (Previous Period ₹ 5,48,509).

**N. Other disclosures:**

Particulars	Current Period	Previous Period
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**O. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	₹ in Crores			
	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 31.15	₹ 1.41	₹ 45.55	₹ 3.39

**P. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq$  5% as on 30<sup>th</sup> September, 2022 is given in Annexure A.

**Q.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.



**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	66,192	5,70,57,504	8.22	8.39
HDFC BANK LTD.	33,740	4,79,56,349	6.91	7.05
STATE BANK OF INDIA	49,984	2,65,21,510	3.82	3.90
AXIS BANK LTD.	29,428	2,15,76,610	3.11	3.17
KOTAK MAHINDRA BANK LTD.	10,060	1,83,01,152	2.64	2.69
INDUSIND BANK LTD.	6,916	81,96,843	1.18	1.20
YES BANK	2,622	41,034	0.01	0.01
		<b>17,96,51,002</b>	<b>25.89</b>	<b>26.41</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	27,266	3,85,39,128	5.55	5.66
WIPRO LTD.	14,900	58,74,325	0.85	0.86
HCL TECHNOLOGIES LIMITED	4,012	37,40,588	0.54	0.55
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED	260	7,75,450	0.11	0.11
		<b>4,89,29,491</b>	<b>7.05</b>	<b>7.18</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	18,476	4,39,31,309	6.33	6.46
		<b>4,39,31,309</b>	<b>6.33</b>	<b>6.46</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	215 06 89 873	201 85 94 004	175 58 58 233
Reserves and Surplus	2	447 40 98 546	421 00 69 396	357 01 18 661
Current Liabilities and Provisions	3	46 04 065	46 91 147	41 00 146
<b>Total</b>		<b>662 93 92 484</b>	<b>623 33 54 547</b>	<b>533 00 77 040</b>
<b>Assets</b>				
Investments	4	642 09 29 132	603 81 50 027	514 45 85 871
Deposits	5	-	-	-
Other Current Assets	6	20 84 63 352	19 52 04 520	18 54 91 169
<b>Total</b>		<b>662 93 92 484</b>	<b>623 33 54 547</b>	<b>533 00 77 040</b>
(a) Net assets as per Balance Sheets		662 47 88 419	622 86 63 400	532 59 76 894
(b) Number of units outstanding		21 50 68 987	20 18 59 400	17 55 85 823
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		23 02 04 537	19 15 62 576	16 66 31 920
Profit on sale/redemption of investments		1 19 22 611	67 44 466	12 54 089
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		32 91 754	47 44 435	3 81 32 936
Other income				
- Miscellaneous Income		-	7	-
<b>Total Income (A)</b>		<b>24 54 18 902</b>	<b>20 30 51 484</b>	<b>20 60 18 945</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		23 62 05 505	10 00 08 690	91 56 879
Loss on sale/redemption of investments		1 32 94 186	89 929	23 200
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		17 91 102	16 34 408	14 55 923
NPS Trust fees		1 60 409	1 42 582	1 22 589
Custodian fees (including GST)		593	96 163	85 226
Depository and settlement charges (including GST)		20 938	17 596	12 975
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		9 20 925	9 26 066	8 84 005
Less: Amount recoverable on sale of units on account of CRA Charges		( 9 20 925)	( 9 26 066)	( 8 84 005)
Provision for Non-Performing Assets		-	-	-
Other Expenses		1	-	2
<b>Total Expenditure (B)</b>		<b>25 14 72 734</b>	<b>10 19 89 368</b>	<b>1 08 56 794</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>( 60 53 832)</b>	<b>10 10 62 116</b>	<b>19 51 62 151</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		23 29 13 751	9 52 64 255	(2 89 76 057)
Less: Amount transferred (to) / from General Reserve		(22 68 59 919)	(19 63 26 371)	(16 61 86 094)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	201 85 94 004	175 58 58 233	154 39 20 083
Add :Units issued during the year	26 14 71 495	35 89 64 159	28 93 89 374
Less: Units redeemed during the year	(12 93 75 626)	(9 62 28 388)	(7 74 51 224)
<b>Outstanding at the end of the year</b>	<b>215 06 89 873</b>	<b>201 85 94 004</b>	<b>175 58 58 233</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	20 18 59 400	17 55 85 823	15 43 92 008
Add :Units issued during the year	2 61 47 150	3 58 96 417	2 89 38 937
Less: Units redeemed during the year	(1 29 37 563)	(9 62 28 389)	(7 74 51 224)
<b>Outstanding units at the end of the year</b>	<b>21 50 68 987</b>	<b>20 18 59 400</b>	<b>17 55 85 823</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	302 53 16 130	248 64 27 511	206 69 77 274
Add: Premium on Units issued	53 51 82 815	73 62 61 144	57 25 02 280
Less: Premium on Units redeemed	(26 50 99 833)	(19 73 72 525)	(15 30 52 043)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>329 53 99 112</b>	<b>302 53 16 130</b>	<b>248 64 27 511</b>
<b>General Reserve</b>			
Opening Balance	107 72 56 451	88 09 30 080	71 47 43 986
Add: Transfer from Revenue Account	22 68 59 919	19 63 26 371	16 61 86 094
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>130 41 16 370</b>	<b>107 72 56 451</b>	<b>88 09 30 080</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	10 74 96 815	20 27 61 070	17 37 85 013
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(23 29 13 751)	(9 52 64 255)	2 89 76 057
Closing Balance	<b>(12 54 16 936)</b>	<b>10 74 96 815</b>	<b>20 27 61 070</b>
<b>Total</b>	<b>447 40 98 546</b>	<b>421 00 69 396</b>	<b>357 01 18 661</b>

Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	3 20 248	3 66 354	7 60 878
Book Overdraft	-	-	-
Redemption Payable	42 58 400	42 98 197	33 16 617
TDS Payable	25 417	26 596	22 651
Contracts for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>46 04 065</b>	<b>46 91 147</b>	<b>41 00 146</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME C - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	636 32 14 101	588 11 56 208	499 21 04 016
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	5 77 15 031	15 69 93 819	15 24 81 855
Non Convertible Debentures classified as NPA	3 10 00 000	3 10 00 000	4 20 00 000
Less: Provision on Non performing investment	(3 10 00 000)	(3 10 00 000)	(4 20 00 000)
<b>Total</b>	<b>642 09 29 132</b>	<b>603 81 50 027</b>	<b>514 45 85 871</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	8 00 001	14 45 001	8 00 000
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	47 17 750	47 17 750	47 17 750
Less: Provision for interest on Non-Performing Investment	( 47 17 750)	( 47 17 750)	( 47 17 750)
Outstanding and accrued income	20 76 63 351	19 37 59 519	18 46 91 169
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	1 20 00 000	1 20 00 000	10 00 000
Less: Provision for Non Performing Investment	(1 20 00 000)	(1 20 00 000)	( 10 00 000)
<b>Total</b>	<b>20 84 63 352</b>	<b>19 52 04 520</b>	<b>18 54 91 169</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme C - Tier I

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 21<sup>st</sup> May, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions (Public Financial Institutions as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years or less than three years from the date of investment.
  - (b) Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines:
  - (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.
  - (d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on

the basis of published annual report(s) for the most recent years, as required to have been published by them under law:

- (i) Having declared profit in the immediately preceding three financial years;
  - (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
  - (iii) having net non-performing assets of not more than 4% of the net advances;
  - (iv) having a minimum net worth of not less than Rs. 200 crores.
- (e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India;
- (f) The following infrastructure related debt instruments:
- (i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
  - (ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.
  - (iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non – Banking Financial Company and regulated by Reserve Bank of India.
  - (iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

It is further clarified that, barring exceptions mentioned above, for the purpose of this sub – category (f), a sector shall be treated as part of infrastructure as per Government of India’s harmonized master list of infrastructure sub – sectors.

- (g) Listed and proposed to be listed Credit Rated Municipal Bonds

Provided that the investment under sub – categories (a), (b), (f) (i) to (iv) and (g) of this category no. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999.



Provided further that in case of the sub - category (f) (iii) the rating shall relate to the Non - Banking Financial Company and for the sub - category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.

Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased alongwith the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.

For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

It is clarified that debt securities covered under category (i) (b) above are excluded from this category.

**Miscellaneous Investments (upto 5%)**

- (a) Commercial mortgage based Securities or Residential mortgage based securities
- (b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.
- (c) Asset Backed Securities regulated by the Securities and Exchange Board of India.
- (d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.

Provided that investment under this category shall only be in listed infrastructure or fresh issues that are proposed to be listed.

Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

Provided further that in case of the sub - category (a) and (d) the rating shall relate to the rating of the sponsor entity floating the trust. Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015

### C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.

#### **4. Investments:**

- a. Investments are accounted on trade date.
- b. In determining the holding cost of investments and the gains or loss on sale of investments, the “weighted average cost” method is followed.
- c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.
- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March’ 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April’ 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24’ 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April ’21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18’ 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.

vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

**7. Non Performing Investments:**

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

**Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

**8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date

up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  - 1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  - 2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**9. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the period is ₹ 17,91,102. (Previous Period ₹ 16,34,408).

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 1,60,409	₹ 1,42,582

- G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

**₹ in Crores**

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
614.49	96.00	531.58	83.05	442.96	77.39	323.79	56.57

- H.** The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ 425.99 Crores. (Previous Period ₹ 276.18 Crores).

- I. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 30.8030	₹ 30.8564

- J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
24.54	3.83	25.15	3.93	20.31	3.55	10.20	1.78



**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

Particular	As on 30th September, 2022****	As on 31st March, 2022****
Book Value (₹)	4,30,00,000	4,30,00,000
Provision for NPA (₹)	4,30,00,000	4,30,00,000
Carrying Cost (₹)	-	-
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.65	0.69

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure B).

**N. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**O. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 191.75	₹ 5.77	₹ 203.34	₹ 15.70

- P. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.
- Q.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

## ANNEXURE A

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
BAJAJ FINANCE LIMITED	43,50,000	42,14,36,035	6.36	6.59
INDIAN RAILWAY FINANCE CORPORATION LTD.	42,70,000	41,93,05,270	6.33	6.56
TATA CAPITAL HOUSING FINANCE LIMITED	35,00,000	34,29,85,100	5.18	5.36
TATA CAPITAL FINANCIAL SERVICES LIMITED	20,00,000	19,85,56,900	3.00	3.11
KOTAK MAHINDRA PRIME LIMITED	19,00,000	18,86,66,050	2.85	2.95
RURAL ELECTRIFICATION CORPORATION LIMITED	15,70,000	16,14,89,341	2.44	2.53
HOUSING AND URBAN DEVELOPMENT CORPORATION	11,60,000	12,19,15,443	1.84	1.91
EXPORT IMPORT BANK OF INDIA	10,90,000	11,40,71,711	1.72	1.78
MUTHOOT FINANCE LIMITED	10,00,000	9,91,99,600	1.50	1.55
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITE	10,00,000	9,65,50,000	1.46	1.51
POWER FINANCE CORPORATION LTD.	7,60,000	7,69,01,703	1.16	1.20
HDB FINANCIAL SERVICES LTD.	1,40,000	1,41,61,721	0.21	0.22
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	50,000	49,31,615	0.07	0.08
		<b>2,26,01,70,489</b>	<b>34.12</b>	<b>35.35</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	46,40,000	44,60,57,799	6.73	6.98
AXIS BANK LTD.	31,10,000	31,43,61,114	4.75	4.92
STATE BANK OF INDIA	19,00,000	18,44,67,110	2.78	2.88
HDFC BANK LTD.	2,90,000	2,73,23,046	0.41	0.43
IDFC BANK LIMITED	90,000	90,67,824	0.14	0.14
YES BANK	1,00,000	89,04,790	0.13	0.14
PUNJAB NATIONAL BANK	20,000	20,19,836	0.03	0.03
		<b>99,22,01,519</b>	<b>14.97</b>	<b>15.52</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	54,90,000	54,00,57,544	8.15	8.45
LIC HOUSING FINANCE LTD.	24,30,000	24,37,74,853	3.68	3.81
		<b>78,38,32,397</b>	<b>11.83</b>	<b>12.26</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
HINDUSTAN PETROLEUM CORPORATION LTD.	22,40,000	21,08,07,072	3.18	3.30
INDIAN OIL CORPORATION LTD.	21,80,000	20,75,10,872	3.13	3.25
		<b>41,83,17,944</b>	<b>6.31</b>	<b>6.55</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	41,40,000	40,55,62,025	6.12	6.34
		<b>40,55,62,025</b>	<b>6.12</b>	<b>6.34</b>

## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	8.65% ILFS FIN. SER. LTD. 06/12/2021	0.50	06-Mar-19	0.50	0.50
2	10.30% ILFS 28/12/2021	0.20	28-Mar-19	0.20	0.20
3	10.30% ILFS FIN SER 22/03/2022	0.40	22-Jun-19	0.40	0.40
4	8.75% ILFS FIN. SER. LTD. 28/03/2023	2.00	28-Jun-19	2.00	2.00
<b>TOTAL</b>		<b>3.10</b>		<b>3.10</b>	<b>3.10</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	9.98% ILFS 05/12/2018	0.10	05-Mar-19	0.10	0.10
2	8.30% ILFS 24/01/2023	1.00	24-Apr-19	1.00	1.00
3	8.69% ILFS 25/08/2025	0.10	26-Nov-19	0.10	0.10
<b>TOTAL</b>		<b>1.20</b>		<b>1.20</b>	<b>1.20</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	10 49 59 970	10 69 85 355	9 46 78 613
Reserves and Surplus	2	20 49 08 848	20 89 08 958	18 00 72 983
Current Liabilities and Provisions	3	1 75 836	4 19 989	7 63 817
<b>Total</b>		<b>31 00 44 654</b>	<b>31 63 14 302</b>	<b>27 55 15 413</b>
<b>Assets</b>				
Investments	4	30 02 67 460	30 61 39 339	26 70 12 347
Deposits	5	-	-	-
Other Current Assets	6	97 77 194	1 01 74 963	85 03 066
<b>Total</b>		<b>31 00 44 654</b>	<b>31 63 14 302</b>	<b>27 55 15 413</b>
(a) Net assets as per Balance Sheets		30 98 68 818	31 58 94 313	27 47 51 596
(b) Number of units outstanding		1 04 95 997	1 06 98 535	94 67 861
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		1 20 05 317	1 02 25 857	80 15 765
Profit on sale/redemption of investments		2 49 419	2 81 127	1 02 894
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		2 94 811	1 74 395	18 31 102
Other income				
- Miscellaneous Income		12	4	21
<b>Total Income (A)</b>		<b>1 25 49 559</b>	<b>1 06 81 383</b>	<b>99 49 782</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		1 20 78 447	53 06 111	6 48 273
Loss on sale/redemption of investments		4 47 559	-	2 500
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		86 668	85 974	69 624
NPS Trust fees		7 760	7 500	5 865
Custodian fees (including GST)		29	5 096	4 070
Depository and settlement charges (including GST)		1 835	1 195	1 431
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		19 342	24 400	20 726
Less: Amount recoverable on sale of units on account of CRA Charges		( 19 342)	( 24 400)	( 20 726)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>1 26 22 298</b>	<b>54 05 876</b>	<b>7 31 763</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>( 72 739)</b>	<b>52 75 507</b>	<b>92 18 019</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		1 17 83 636	51 31 716	( 11 82 829)
Less: Amount transferred (to) / from General Reserve		(1 17 10 897)	(1 04 07 223)	( 80 35 190)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	10 69 85 355	9 46 78 613	7 48 34 371
Add :Units issued during the year	1 82 75 913	3 00 66 230	3 16 84 980
Less: Units redeemed during the year	(2 03 01 298)	(1 77 59 488)	(1 18 40 738)
<b>Outstanding at the end of the year</b>	<b>10 49 59 970</b>	<b>10 69 85 355</b>	<b>9 46 78 613</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	1 06 98 535	94 67 861	74 83 437
Add :Units issued during the year	18 27 591	30 06 623	31 68 498
Less: Units redeemed during the year	( 20 30 130)	( 17 75 949)	( 11 84 074)
<b>Outstanding units at the end of the year</b>	<b>1 04 95 997</b>	<b>1 06 98 535</b>	<b>94 67 861</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	13 41 02 564	11 05 42 096	7 36 25 672
Add: Premium on Units issued	3 50 05 033	5 76 38 586	5 87 72 798
Less: Premium on Units redeemed	(3 89 32 404)	(3 40 78 118)	(2 18 56 374)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>13 01 75 193</b>	<b>13 41 02 564</b>	<b>11 05 42 096</b>
<b>General Reserve</b>			
Opening Balance	6 95 24 957	5 91 17 734	5 10 82 544
Add: Transfer from Revenue Account	1 17 10 897	1 04 07 223	80 35 190
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>8 12 35 854</b>	<b>6 95 24 957</b>	<b>5 91 17 734</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	52 81 437	1 04 13 153	92 30 324
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(1 17 83 636)	( 51 31 716)	11 82 829
Closing Balance	<b>( 65 02 199)</b>	<b>52 81 437</b>	<b>1 04 13 153</b>
<b>Total</b>	<b>20 49 08 848</b>	<b>20 89 08 958</b>	<b>18 00 72 983</b>
<b>Schedule 3</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	15 103	18 943	37 622
Book Overdraft	-	-	-
Redemption Payable	1 59 544	3 99 676	7 25 030
TDS Payable	1 189	1 370	1 165
Contracts for Purchase of Investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>1 75 836</b>	<b>4 19 989</b>	<b>7 63 817</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME C - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	28 80 08 732	29 27 24 525	25 73 67 994
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	1 22 58 728	1 34 14 814	96 44 353
Non Convertible Debentures classified as NPA	10 00 000	10 00 000	19 00 000
Less: Provision on Non performing investment	( 10 00 000)	( 10 00 000)	( 19 00 000)
<b>Total</b>	<b>30 02 67 460</b>	<b>30 61 39 339</b>	<b>26 70 12 347</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	1	84 500	1
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	1 97 705	1 97 705	1 97 705
Less: Provision for interest on Non-Performing Investment	( 1 97 705)	( 1 97 705)	( 1 97 705)
Outstanding and accrued income	97 77 193	1 00 90 463	85 03 065
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	9 00 000	9 00 000	-
Less: Provision for Non Performing Investment	( 9 00 000)	( 9 00 000)	-
<b>Total</b>	<b>97 77 194</b>	<b>1 01 74 963</b>	<b>85 03 066</b>



## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Scheme C - Tier II

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instruct Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per the PFRDA Regulations:**
  - (a) Listed (or proposed to be listed in case of fresh issue) debt securities issued by bodies corporate, including banks and public financial institutions (Public Financial Institutions as defined under Section 2 of the Companies Act, 2013), which have a minimum residual maturity period of three years or less than three years from the date of investment.
  - (b) Basel III Tier - 1 Bonds issued by scheduled commercial banks under RBI Guidelines:
  - (c) Rupee Bonds having an outstanding maturity of at least 3 years issued by institutions of the International Bank for Reconstruction and Development, International Finance Corporation and the Asian Development Bank.

- (d) Term deposit Receipts of not less than one year duration issued by scheduled commercial banks, which satisfy the following conditions on the basis of published annual report(s) for the most recent years, as required to have been published by them under law:
  - (i) Having declared profit in the immediately preceding three financial years;
  - (ii) maintaining a minimum Capital to Risk Weighted Assets Ratio of 9%, or mandated by prevailing RBI norms, whichever is higher;
  - (iii) having net non-performing assets of not more than 4% of the net advances;
  - (iv) having a minimum net worth of not less than Rs. 200 crores.
- (e) Units of Debt Mutual Funds as regulated by Securities and Exchange Board of India;
- (f) The following infrastructure related debt instruments:
  - (i) Listed (or proposed to be listed in case of fresh issue) debt securities issued by body corporates engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing.
  - (ii) Infrastructure and affordable housing Bonds issued by any scheduled commercial bank, which meets the conditions specified in (ii) (d) above.
  - (iii) Listed (or proposed to be listed in case of fresh issue) securities issued by Infrastructure debt funds operating as a Non - Banking Financial Company and regulated by Reserve Bank of India.
  - (iv) Listed (or proposed to be listed in case of fresh issue) units issued by Infrastructure Debt Funds operating as a Mutual Fund and regulated by Securities and Exchange Board of India.

It is further clarified that, barring exceptions mentioned above, for the purpose of this sub - category (f), a sector shall be treated as part of infrastructure as per Government of India's harmonized master list of infrastructure sub - sectors.

- (g) Listed and proposed to be listed Credit Rated Municipal Bonds

Provided that the investment under sub - categories (a), (b), (f) (i) to (iv) and (g) of this category no. (ii) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from

at least two credit rating agencies registered with the Securities and Exchange Board of India under Securities and Exchange Board of India (Credit Rating Agency) Regulation, 1999.

Provided further that in case of the sub - category (f) (iii) the rating shall relate to the Non - Banking Financial Company and for the sub - category (f) (iv) the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund.

Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

Provided further that investments under this category requiring a minimum AA rating, as specified above, shall be permissible in securities having investment grade rating below AA in case the risk of default for such securities is fully covered with Credit Default Swaps (CDSs) issued under Guidelines of the Reserve Bank of India and purchased alongwith the underlying securities. Purchase amount of such Swaps shall be considered to be investment made under this category.

For sub - category (c), a single rating of AA or above by a domestic or international rating agency will be acceptable.

It is clarified that debt securities covered under category (i) (b) above are excluded from this category.

**Miscellaneous Investments (upto 5%)**

- (a) Commercial mortgage based Securities or Residential mortgage based securities
- (b) Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India.
- (c) Asset Backed Securities regulated by the Securities and Exchange Board of India.
- (d) Units of Infrastructure Investment Trusts regulated by the Securities and Exchange Board of India.

Provided that investment under this category shall only be in listed infrastructure or fresh issues that are proposed to be listed.

Provided further that investment under this category shall be made only in such securities which have minimum AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered under Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999.

Provided further that in case of the sub - category (a) and (d) the rating shall relate to the rating of the sponsor entity floating the trust. Provided further that if the securities / entities have been rated by more than two rating agencies, the two lowest of the ratings shall be considered.

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

### C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.

**3. Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.

**4. Investments:**

- a. Investments are accounted on trade date.
- b. In determining the holding cost of investments and the gains or loss on sale of investments, the “weighted average cost” method is followed.
- c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.
- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March’ 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April’ 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24’ 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April ’21.

- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

**5. Valuation of investments:** Investments are valued using the price determined in the following manner:

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

**i) All Instruments/Securities with residual maturity of more than 30 days :**

- a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
- b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
- c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

**ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

**iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.**

- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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



## 7. Non Performing Investments:

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

### **Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.

ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

**8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**9. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

- E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 86,668. (Previous Period ₹ 85,974).

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 7,760	₹ 7,500

- G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
13.63	44.03	11.56	37.34	22.51	74.78	16.91	56.18

- H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ 18.74 Crores. (Previous Period ₹ 11.50 Crore).

**I. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 29.5225	₹ 29.5268

**J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
1.25	4.05	1.26	4.08	1.07	3.55	0.54	1.80

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

Particular	As on 30th September, 2022****	As on 31st March, 2022****
Book Value (₹)	19,00,000	19,00,000
Provision for NPA (₹)	19,00,000	19,00,000
Carrying Cost (₹)	-	-
Market Value (₹)***	-	-
% of NPA (Gross) to AUM	0.61	0.60

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure B).

**N. Other disclosures:**

<b>Particulars</b>	<b>Current Period</b>	<b>Previous Period</b>
Contingent liabilities	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**O. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

**₹ in Crores**

<b>Name of Scheme</b>	<b>Current Period</b>		<b>Previous Period</b>	
	<b>Purchase</b>	<b>Outstanding</b>	<b>Purchase</b>	<b>Outstanding</b>
UTI Asset Management Company Limited	₹ 9.11	₹ 1.23	₹ 10.86	₹ 1.34

**P. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.

**Q.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	2,50,000	2,43,98,189	7.87	8.44
BAJAJ FINANCE LIMITED	1,50,000	1,42,60,815	4.60	4.93
TATA CAPITAL FINANCIAL SERVICES LIMITED	1,00,000	98,91,440	3.19	3.42
POWER FINANCE CORPORATION LTD.	80,000	81,27,553	2.62	2.81
HOUSING AND URBAN DEVELOPMENT CORPORATION	70,000	73,59,346	2.37	2.55
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITE	50,000	48,27,500	1.56	1.67
EXPORT IMPORT BANK OF INDIA	30,000	30,37,069	0.98	1.05
RURAL ELECTRIFICATION CORPORATION LIMITED	30,000	30,33,429	0.98	1.05
NATIONAL HOUSING BANK	20,000	19,80,064	0.64	0.69
HDB FINANCIAL SERVICES LTD.	10,000	10,18,569	0.33	0.35
		<b>7,79,33,974</b>	<b>25.14</b>	<b>26.96</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	2,60,000	2,51,57,289	8.12	8.70
AXIS BANK LTD.	1,70,000	1,72,32,402	5.56	5.96
HDFC BANK LTD.	80,000	80,30,059	2.59	2.78
IDFC BANK LIMITED	10,000	10,08,139	0.33	0.35
		<b>5,14,27,889</b>	<b>16.60</b>	<b>17.79</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	2,10,000	2,06,51,929	6.66	7.15
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,80,000	1,76,49,496	5.70	6.11
		<b>3,83,01,425</b>	<b>12.36</b>	<b>13.26</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	2,30,000	2,24,83,559	7.26	7.78
		<b>2,24,83,559</b>	<b>7.26</b>	<b>7.78</b>
<b>ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS</b>				
NATIONAL THERMAL POWER CORPORATION LTD.	1,70,000	1,67,68,673	5.41	5.80
JAMNAGAR UTILITIES & POWER PRIVATE LIMITED	50,000	48,03,903	1.55	1.66
		<b>2,15,72,576</b>	<b>6.96</b>	<b>7.46</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	2,02,000	2,03,33,257	6.56	7.04
		<b>2,03,33,257</b>	<b>6.56</b>	<b>7.04</b>
<b>PRODUCTION OF LIQUID AND GASEOUS FUELS, ILLUMINATING OILS, LUBRICATING OILS OR GREASES OR OTHER PRODUCTS FROM CRUDE PETROLEUM OR BITUMINOUS MINERALS</b>				
INDIAN OIL CORPORATION LTD.	1,20,000	1,20,16,918	3.88	4.16
HINDUSTAN PETROLEUM CORPORATION LTD.	30,000	28,23,309	0.91	0.98
		<b>1,48,40,227</b>	<b>4.79</b>	<b>5.14</b>

## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	10.30% ILFS 28/12/2021	0.04	28-Mar-19	0.04	0.04
2	10.30% ILFS FIN SER 22/03/2022	0.05	22-Jun-19	0.05	0.05
<b>TOTAL</b>		<b>0.09</b>		<b>0.09</b>	<b>0.09</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	8.69% ILFS 25/08/2025	0.10	26-Nov-19	0.10	0.10
<b>TOTAL</b>		<b>0.10</b>		<b>0.10</b>	<b>0.10</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	418 79 86 221	390 72 10 627	339 26 30 461
Reserves and Surplus	2	773 38 92 386	714 07 13 116	616 87 66 363
Current Liabilities and Provisions	3	21 41 59 852	74 57 562	8 45 07 056
<b>Total</b>		<b>1213 60 38 459</b>	<b>1105 53 81 305</b>	<b>964 59 03 880</b>
<b>Assets</b>				
Investments	4	1174 03 90 488	1090 05 58 663	951 32 60 613
Deposits	5	-	-	-
Other Current Assets	6	39 56 47 971	15 48 22 642	13 26 43 267
<b>Total</b>		<b>1213 60 38 459</b>	<b>1105 53 81 305</b>	<b>964 59 03 880</b>
(a) Net assets as per Balance Sheets		1192 18 78 607	1104 79 23 743	956 13 96 824
(b) Number of units outstanding		41 87 98 622	39 07 21 062	33 92 63 046
Significant Accounting Policies and Notes to Accounts	7			



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		40 11 91 115	34 53 10 130	29 85 10 490
Profit on sale/redemption of investments		3 42 17 311	1 85 15 855	21 96 078
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		2 85 00 285	19 47 872	3 45 00 008
Other income				
- Miscellaneous Income		10	-	23
<b>Total Income (A)</b>		<b>46 39 08 721</b>	<b>36 57 73 857</b>	<b>33 52 06 599</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		27 77 72 358	32 38 64 221	6 17 68 996
Loss on sale/redemption of investments		8 99 69 551	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		32 08 544	29 22 046	26 00 457
NPS Trust fees		2 87 373	2 54 907	2 18 958
Custodian fees (including GST)		5	1 78 661	1 54 791
Depository and settlement charges (including GST)		1 89 851	58 260	38 907
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		15 09 810	14 94 391	14 45 613
Less: Amount recoverable on sale of units on account of CRA Charges		( 15 09 810)	( 14 94 391)	( 14 45 613)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	3	-
<b>Total Expenditure (B)</b>		<b>37 14 27 682</b>	<b>32 72 78 098</b>	<b>6 47 82 109</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>9 24 81 039</b>	<b>3 84 95 759</b>	<b>27 04 24 490</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		24 92 72 073	32 19 16 349	2 72 68 988
Less: Amount transferred (to) / from General Reserve		(34 17 53 112)	(36 04 12 108)	(29 76 93 478)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

7

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	390 72 10 627	339 26 30 461	294 67 82 662
Add :Units issued during the year	58 18 52 771	75 45 04 472	63 32 44 837
Less: Units redeemed during the year	(30 10 77 177)	(23 99 24 306)	(18 73 97 038)
<b>Outstanding at the end of the year</b>	<b>418 79 86 221</b>	<b>390 72 10 627</b>	<b>339 26 30 461</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	39 07 21 062	33 92 63 046	29 46 78 266
Add :Units issued during the year	5 81 85 277	7 54 50 447	6 33 24 484
Less: Units redeemed during the year	(3 01 07 718)	(2 39 92 430)	(1 87 39 704)
<b>Outstanding units at the end of the year</b>	<b>41 87 98 622</b>	<b>39 07 21 062</b>	<b>33 92 63 046</b>
Schedule 2	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	543 79 56 836	450 45 05 842	371 71 60 570
Add: Premium on Units issued	104 40 01 380	136 86 09 136	111 75 57 793
Less: Premium on Units redeemed	(54 33 03 149)	(43 51 58 142)	(33 02 12 521)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>593 86 55 067</b>	<b>543 79 56 836</b>	<b>450 45 05 842</b>
<b>General Reserve</b>			
Opening Balance	181 24 38 929	145 20 26 821	115 43 33 343
Add: Transfer from Revenue Account	34 17 53 112	36 04 12 108	29 76 93 478
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>215 41 92 041</b>	<b>181 24 38 929</b>	<b>145 20 26 821</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	(10 96 82 649)	21 22 33 700	23 95 02 688
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(24 92 72 073)	(32 19 16 349)	(2 72 68 988)
Closing Balance	<b>(35 89 54 722)</b>	<b>(10 96 82 649)</b>	<b>21 22 33 700</b>
<b>Total</b>	<b>773 38 92 386</b>	<b>714 07 13 116</b>	<b>616 87 66 363</b>
Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	6 54 287	6 69 878	13 66 203
Book Overdraft	-	-	-
Redemption Payable	72 74 019	67 39 953	79 84 692
TDS Payable	45 990	47 731	41 036
Contracts for Purchase of Investments	20 61 85 556	-	7 51 15 125
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>21 41 59 852</b>	<b>74 57 562</b>	<b>8 45 07 056</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME G - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	1155 21 95 052	1031 95 49 399	928 96 56 893
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	18 81 95 436	58 10 09 264	22 36 03 720
Non Convertible Debentures classified as NPA	-	-	-
Less: Provision on Non performing investment	-	-	-
<b>Total</b>	<b>1174 03 90 488</b>	<b>1090 05 58 663</b>	<b>951 32 60 613</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	42 250	-	1
Contracts for sale of investments	20 70 65 555	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	18 35 10 036	14 98 16 705	12 25 89 503
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	50 30 130	50 05 937	1 00 53 763
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>39 56 47 971</b>	<b>15 48 22 642</b>	<b>13 26 43 267</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme G - Tier I

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 21<sup>st</sup> May, 2009.
3. **Investment pattern to be followed as per PFRDA Regulations:**  
Investments will be in -
  - (a) Government of India Bonds
  - (b) State Government Bonds
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
4. **Investments:**
  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date

except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

**5. Valuation of investments:** Investments are valued using the price determined in the following manner:

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii)** Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv)** Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v)** Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi)** Partly paid bonds are valued at cost till it is fully paid.
- vii)** Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

- i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
- ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.



**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The aggregate net change in unrealized gain or loss between two balance sheet dates is recognized in the revenue account. Later, the change in unrealized gain (net) in the value of investment is transferred from/to unrealized appreciation reserve through appropriation account.
7. **Income Recognition:**
  - a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.

- d. Interest on Fixed Assets is accounted on accrual basis.
- e. Profit / Loss of sale of Investment
  - 1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  - 2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**8. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**9. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited /debited to Unit Premium Reserve after each subscription /redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

<b>Slab of AUM</b>	<b>Maximum Investment Management Fees Permissible Under PFRDA Guideline</b>
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the period is ₹ 32,08,544. (Previous Period ₹ 29,22,046).

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 2,87,373	₹ 2,54,907

- G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
2,465.2	214.97	2,348.77	204.81	679.70	66.43	505.93	49.44

- H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ 50,93,585. (Previous Period ₹ 84,45,012)

- I. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 28.4667	₹ 28.2757

- J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
46.39	4.05	37.14	3.24	36.58	3.57	32.73	3.20

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

N. As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

O. **Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 369.06	₹ 18.82	₹ 290.39	₹ 58.10

P. Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	18 73 40 115	18 43 86 229	16 25 15 481
Reserves and Surplus	2	36 00 67 081	35 15 47 764	30 78 20 926
Current Liabilities and Provisions	3	2 51 725	8 71 282	62 62 758
<b>Total</b>		<b>54 76 58 921</b>	<b>53 68 05 275</b>	<b>47 65 99 165</b>
<b>Assets</b>				
Investments	4	53 87 75 046	52 86 00 670	46 93 63 609
Deposits	5	-	-	-
Other Current Assets	6	88 83 875	82 04 605	72 35 556
<b>Total</b>		<b>54 76 58 921</b>	<b>53 68 05 275</b>	<b>47 65 99 165</b>
(a) Net assets as per Balance Sheets		54 74 07 196	53 59 33 993	47 03 36 407
(b) Number of units outstanding		1 87 34 011	1 84 38 623	1 62 51 548
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		1 89 80 415	1 73 09 709	1 40 30 336
Profit on sale/redemption of investments		5 91 491	12 55 470	1 36 587
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		6 07 472	1 11 598	15 88 467
Other income				
- Miscellaneous Income		-	-	16
<b>Total Income (A)</b>		<b>2 01 79 378</b>	<b>1 86 76 777</b>	<b>1 57 55 406</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		1 54 57 008	1 62 29 596	29 36 056
Loss on sale/redemption of investments		15 33 233	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		1 50 377	1 44 918	1 21 681
NPS Trust fees		13 465	12 641	10 249
Custodian fees (including GST)		-	8 854	7 170
Depository and settlement charges (including GST)		3 060	2 862	2 224
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		29 421	34 706	29 858
Less: Amount recoverable on sale of units on account of CRA Charges		( 29 421)	( 34 706)	( 29 858)
Provision for Non-Performing Assets		-	-	-
Other Expenses		2	4	-
<b>Total Expenditure (B)</b>		<b>1 71 57 145</b>	<b>1 63 98 875</b>	<b>30 77 380</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>30 22 233</b>	<b>22 77 902</b>	<b>1 26 78 026</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		1 48 49 536	1 61 17 998	13 47 589
Less: Amount transferred (to) / from General Reserve		(1 78 71 769)	(1 83 95 900)	(1 40 25 615)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	18 43 86 229	16 25 15 481	13 19 22 918
Add :Units issued during the year	3 26 90 524	4 98 78 391	5 04 55 916
Less: Units redeemed during the year	(2 97 36 638)	(2 80 07 643)	(1 98 63 353)
<b>Outstanding at the end of the year</b>	<b>18 73 40 115</b>	<b>18 43 86 229</b>	<b>16 25 15 481</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	1 84 38 623	1 62 51 548	1 31 92 292
Add :Units issued during the year	32 69 052	49 87 839	50 45 592
Less: Units redeemed during the year	( 29 73 664)	( 28 00 764)	( 19 86 335)
<b>Outstanding units at the end of the year</b>	<b>1 87 34 011</b>	<b>1 84 38 623</b>	<b>1 62 51 548</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	25 66 10 084	21 51 61 148	15 88 41 139
Add: Premium on Units issued	6 10 04 828	9 44 21 824	9 27 25 398
Less: Premium on Units redeemed	(5 55 07 744)	(5 29 72 888)	(3 64 05 389)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>26 21 07 168</b>	<b>25 66 10 084</b>	<b>21 51 61 148</b>
<b>General Reserve</b>			
Opening Balance	10 05 35 026	8 21 39 126	6 81 13 511
Add: Transfer from Revenue Account	1 78 71 769	1 83 95 900	1 40 25 615
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>11 84 06 795</b>	<b>10 05 35 026</b>	<b>8 21 39 126</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	( 55 97 346)	1 05 20 652	1 18 68 241
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(1 48 49 536)	(1 61 17 998)	( 13 47 589)
Closing Balance	<b>(2 04 46 882)</b>	<b>( 55 97 346)</b>	<b>1 05 20 652</b>
<b>Total</b>	<b>36 00 67 081</b>	<b>35 15 47 764</b>	<b>30 78 20 926</b>
<b>Schedule 3</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	26 674	33 183	65 246
Book Overdraft	-	-	-
Redemption Payable	2 22 956	8 35 770	11 87 830
TDS Payable	2 095	2 329	2 007
Contracts for Purchase of Investments	-	-	50 07 675
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>2 51 725</b>	<b>8 71 282</b>	<b>62 62 758</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS SCHEME G - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	52 52 66 297	50 81 13 799	45 11 95 110
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	1 35 08 749	2 04 86 871	1 81 68 499
Non Convertible Debentures classified as NPA	-	-	-
Less: Provision on Non performing investment	-	-	-
<b>Total</b>	<b>53 87 75 046</b>	<b>52 86 00 670</b>	<b>46 93 63 609</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	46 000	-	1
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	87 37 866	80 04 272	69 33 942
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	1 00 009	2 00 333	3 01 613
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>88 83 875</b>	<b>82 04 605</b>	<b>72 35 556</b>



## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Scheme G - Tier II

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> December, 2009.
3. **Investment pattern to be followed as per PFRDA Regulations:**  
Investments will be in -
  - (a) Government of India Bonds
  - (b) State Government Bonds
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines – 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
4. **Investments:**
  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date

except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex -date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due

date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii) Only Callable Bonds (single/multiple call options),** which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options),** which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple)** on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds** are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options** are valued at lowest price on each option date.

**Central and State Government Securities:**

- i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

**7. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is

treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit / Loss of sale of Investment
  - 1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  - 2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**8. Computation of NAV:** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**9. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 1,50,377. (Previous Period ₹ 1,44,918).

- F. **NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 13,465	₹ 12,641

- G. **Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
35.33	65.77	32.64	60.76	32.27	63.59	24.68	48.64

- H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ NIL. (Previous Period ₹ NIL).

- I. **Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 29.2199	₹ 29.0658



- J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
2.02	3.76	1.72	3.19	1.87	3.68	1.64	3.23

- K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

- L. Income Taxes:**

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

- M. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

- N.** As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

- O. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

Name of Scheme	₹ in Crores			
	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 12.91	₹ 1.35	₹ 18.23	₹ 2.05

- P.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	4 61 96 827	4 03 76 371	3 02 43 629
Reserves and Surplus	2	2 20 98 325	1 67 79 962	1 12 57 034
Current Liabilities and Provisions	3	4 197	63 278	12 890
<b>Total</b>		<b>6 82 99 349</b>	<b>5 72 19 611</b>	<b>4 15 13 553</b>
<b>Assets</b>				
Investments	4	6 66 40 092	5 55 89 784	4 00 32 762
Deposits	5	-	-	-
Other Current Assets	6	16 59 257	16 29 827	14 80 791
<b>Total</b>		<b>6 82 99 349</b>	<b>5 72 19 611</b>	<b>4 15 13 553</b>
(a) Net assets as per Balance Sheets		6 82 95 152	5 71 56 333	4 15 00 663
(b) Number of units outstanding		46 19 683	40 37 637	30 24 363
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		9 36 993	-	-
Interest		13 94 323	17 01 815	13 33 329
Profit on sale/redemption of investments		54 931	1 82 806	36 795
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		8 80 396	4 12 311	9 48 286
Other income				
- Miscellaneous Income		-	13	-
<b>Total Income (A)</b>		<b>32 66 643</b>	<b>22 96 945</b>	<b>23 18 410</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		4 81 333	6 84 196	4 461
Loss on sale/redemption of investments		-	76 077	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		17 666	13 445	10 712
NPS Trust fees		1 582	1 173	902
Custodian fees (including GST)		5	779	620
Depository and settlement charges (including GST)		396	867	321
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		15 377	14 780	11 664
Less: Amount recoverable on sale of units on account of CRA Charges		( 15 377)	( 14 780)	( 11 664)
Provision for Non-Performing Assets		-	-	-
Other Expenses		8	-	-
<b>Total Expenditure (B)</b>		<b>5 00 990</b>	<b>7 76 537</b>	<b>17 016</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>27 65 653</b>	<b>15 20 408</b>	<b>23 01 394</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		( 3 99 063)	2 71 885	( 9 43 825)
Less: Amount transferred (to) / from General Reserve		( 23 66 590)	( 17 92 293)	( 13 57 569)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	4 03 76 371	3 02 43 629	2 41 69 443
Add :Units issued during the year	86 12 841	1 29 43 204	92 00 771
Less: Units redeemed during the year	( 27 92 385)	( 28 10 462)	( 31 26 585)
<b>Outstanding at the end of the year</b>	<b>4 61 96 827</b>	<b>4 03 76 371</b>	<b>3 02 43 629</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	40 37 637	30 24 363	24 16 944
Add :Units issued during the year	8 61 284	12 94 320	9 20 077
Less: Units redeemed during the year	( 2 79 239)	( 2 81 046)	( 3 12 659)
<b>Outstanding units at the end of the year</b>	<b>46 19 683</b>	<b>40 37 637</b>	<b>30 24 363</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	1 09 84 438	69 81 918	49 55 659
Add: Premium on Units issued	37 86 146	51 01 795	30 74 200
Less: Premium on Units redeemed	( 12 33 436)	( 10 99 275)	( 10 47 941)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>1 35 37 148</b>	<b>1 09 84 438</b>	<b>69 81 918</b>
<b>General Reserve</b>			
Opening Balance	55 62 991	37 70 698	24 13 129
Add: Transfer from Revenue Account	23 66 590	17 92 293	13 57 569
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>79 29 581</b>	<b>55 62 991</b>	<b>37 70 698</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	2 32 533	5 04 418	( 4 39 407)
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	3 99 063	( 2 71 885)	9 43 825
Closing Balance	<b>6 31 596</b>	<b>2 32 533</b>	<b>5 04 418</b>
<b>Total</b>	<b>2 20 98 325</b>	<b>1 67 79 962</b>	<b>1 12 57 034</b>

Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	3 297	3 820	5 831
Book Overdraft	-	-	-
Redemption Payable	640	59 176	6 878
TDS Payable	260	282	181
Contracts for purchase of investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>4 197</b>	<b>63 278</b>	<b>12 890</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME A - TIER I**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	2 99 07 945	-	-
Basel III Tier I bonds	3 33 90 285	5 32 47 967	3 89 53 844
Others - Mutual Fund Units	33 41 862	23 41 817	10 78 918
Non Convertible Debentures classified as NPA	-	-	-
Less: Provision on Non performing investment	-	-	-
<b>Total</b>	<b>6 66 40 092</b>	<b>5 55 89 784</b>	<b>4 00 32 762</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	1	1	1
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	16 59 256	16 29 826	14 80 790
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>16 59 257</b>	<b>16 29 827</b>	<b>14 80 791</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme A - Tier I

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 14<sup>th</sup> October, 2016.
3. **Investment pattern to be followed as per PFRDA Regulations:**
  - a. Commercial mortgage based securities or Residential mortgaged based securities
  - b. Units issued by Real Estate Investment Trusts regulated by the Securities and Exchange Board of India (SEBI)
  - c. Asset backed securities regulated by the SEBI.
  - d. Units issued by Infrastructure Investment Trusts regulated by the SEBI.
  - e. Alternative Investment Funds (AIF Category I & II) registered with SEBI.
4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
4. **Investments:**
  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed



Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

**7. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date

up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.

- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  - 1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  - 2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**8. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**9. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 17,666. (Previous Period ₹ 13,445).

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 1,582	₹ 1,173

- G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores							
Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
7.23	114.46	5.07	80.21	14.11	299.26	12.52	265.66

- H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ 1.62 Crores. (Previous Period ₹ NIL).

- I. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 14.7835	₹ 14.1559

- J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹	%	₹	%	₹	%	₹	%
32,66,643	5.17	5,00,990	0.79	22,96,945	4.87	7,76,537	1.65

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

- N. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 2.00	₹ 0.33	₹ 1.89	₹ 0.23

- O. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.
- P.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A****Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

<b>Industry and Company Particulars</b>	<b>Quantity</b>	<b>Market Value (₹)</b>	<b>% to Net Asset</b>	<b>% to investment category</b>
<b>EQUITY SHARES</b>				
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	72,385	1,00,31,113	14.69	33.54
INDIGRID	70,100	1,00,23,599	14.68	33.51
		<b>2,00,54,712</b>	<b>29.37</b>	<b>67.05</b>
<b>REAL ESTATE ACTIVITIES WITH OWN OR LEASED PROPERTY</b>				
MINDSPACE BUSINESS PARKS	27,050	98,53,233	14.43	32.95
		<b>98,53,233</b>	<b>14.43</b>	<b>32.95</b>
<b>DEBENTURES &amp; BONDS</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
BANK OF BARODA	60,000	61,59,160	9.02	18.45
CANARA BANK	60,000	61,00,320	8.93	18.27
INDIAN BANK	60,000	60,24,804	8.82	18.04
STATE BANK OF INDIA	60,000	59,74,920	8.75	17.89
ICICI BANK LTD.	50,000	50,84,033	7.44	15.23
PUNJAB NATIONAL BANK	40,000	40,47,048	5.93	12.12
		<b>3,33,90,285</b>	<b>48.89</b>	<b>100.00</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	53 06 605	43 81 249	21 96 216
Reserves and Surplus	2	3 81 649	2 34 306	76 418
Current Liabilities and Provisions	3	284	221	295
<b>Total</b>		<b>56 88 538</b>	<b>46 15 776</b>	<b>22 72 929</b>
<b>Assets</b>				
Investments	4	55 69 373	46 15 776	22 72 929
Deposits	5	-	-	-
Other Current Assets	6	1 19 165	-	-
<b>Total</b>		<b>56 88 538</b>	<b>46 15 776</b>	<b>22 72 929</b>
(a) Net assets as per Balance Sheets		56 88 254	46 15 555	22 72 634
(b) Number of units outstanding		5 30 661	4 38 125	2 19 622
Significant Accounting Policies and Notes to Accounts	7			



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		6 663	341	-
Interest		9 428	-	-
Profit on sale/redemption of investments		1 00 148	15 219	-
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		44 559	60 866	30 665
Other income				
- Miscellaneous Income		9	-	-
<b>Total Income (A)</b>		<b>1 60 807</b>	<b>76 426</b>	<b>30 665</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		65 880	13 958	-
Loss on sale/redemption of investments		-	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		1 440	906	553
NPS Trust fees		129	79	47
Custodian fees (including GST)		-	-	-
Depository and settlement charges (including GST)		127	1	-
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		-	-	-
Less: Amount recoverable on sale of units on account of CRA Charges		-	-	-
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	3	-
<b>Total Expenditure (B)</b>		<b>67 576</b>	<b>14 947</b>	<b>600</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>93 231</b>	<b>61 479</b>	<b>30 065</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		21 321	( 46 908)	( 30 665)
Less: Amount transferred (to) / from General Reserve		( 1 14 552)	( 14 571)	600
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	43 81 249	21 96 216	15 22 123
Add :Units issued during the year	9 25 356	21 85 033	6 74 093
Less: Units redeemed during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>53 06 605</b>	<b>43 81 249</b>	<b>21 96 216</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	4 38 125	2 19 622	1 52 212
Add :Units issued during the year	92 536	2 18 503	67 409
Less: Units redeemed during the year	-	-	-
<b>Outstanding units at the end of the year</b>	<b>5 30 661</b>	<b>4 38 125</b>	<b>2 19 622</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	1 33 843	37 434	18 777
Add: Premium on Units issued	54 112	96 409	18 657
Less: Premium on Units redeemed	-	-	-
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>1 87 955</b>	<b>1 33 843</b>	<b>37 434</b>
<b>General Reserve</b>			
Opening Balance	13 850	( 721)	( 121)
Add: Transfer from Revenue Account	1 14 552	14 571	( 600)
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>1 28 402</b>	<b>13 850</b>	<b>( 721)</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	86 613	39 705	9 040
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	( 21 321)	46 908	30 665
Closing Balance	<b>65 292</b>	<b>86 613</b>	<b>39 705</b>
<b>Total</b>	<b>3 81 649</b>	<b>2 34 306</b>	<b>76 418</b>

Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	262	203	286
Book Overdraft	-	-	-
Redemption Payable	-	-	-
TDS Payable	22	18	9
Contracts for purchase of investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>284</b>	<b>221</b>	<b>295</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME TAX SAVER - TIER II**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	8 88 271	6 98 271	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	14 96 280	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities:	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	31 84 822	39 17 505	22 72 929
Non Convertible Debentures classified as NPA	-	-	-
Less: Provision on Non performing investment	-	-	-
<b>Total</b>	<b>55 69 373</b>	<b>46 15 776</b>	<b>22 72 929</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	1	-	-
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	19 161	-	-
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	1 00 003	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>1 19 165</b>	<b>-</b>	<b>-</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust – A/C UTI Retirement Solutions Pension Fund Scheme Tax Saver - Tier II

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 4<sup>th</sup> September, 2020.
3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Equity*	10%-25%
(ii)	Debt**	Upto 90%
(iii)	Cash/Money Market/Liquid MFs	Upto 5%

\* Investment guidelines as applicable for Scheme E - Tier II

\*\* Investment guidelines as applicable for Scheme G - Tier II and Scheme C - Tier II

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
- 3. Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
- 4. Investments:**

  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed

Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

**5. Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

**i) All Instruments/Securities with residual maturity of more than 30 days :**

- a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
- b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
- c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

**ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

**iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.**

**iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.**



- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

**i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

**ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The aggregate net change in unrealized gain or loss between two balance sheet dates is recognized in the revenue account. Later, the change in unrealized gain (net) in the value of investment is transferred from/to unrealized appreciation reserve through appropriation account.
  
7. **Income Recognition:**
  - a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
  - e. Profit / Loss of sale of Investment
    1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
    2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.
  
8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
  
9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 1,440. (Previous Period ₹ 906).

**F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 129	₹ 79

**G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
49,81,201	96.69	41,06,642	79.71	30,35,405	95.29	7,55,003	23.70

₹

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ NIL. (Previous Period ₹ NIL).

I. **Net Asset Value:**

Current Period		Previous Period	
As on 30th September, 2022		As on 31st March, 2022	
₹ 10.7191		₹ 10.5347	

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹	%	₹	%	₹	%	₹	%
1,60,807	3.12	67,576	1.31	76,426	2.40	14,947	0.47

K. **Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

L. **Income Taxes:**

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

M. **Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**N. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	32,81,194	31,84,822	23,46,626	39,17,505

**O. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.

**P.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	90	77,580	1.36	8.73
HDFC BANK LTD.	45	63,961	1.12	7.20
AXIS BANK LTD.	85	62,322	1.10	7.02
STATE BANK OF INDIA	76	40,326	0.71	4.54
		<b>2,44,189</b>	<b>4.29</b>	<b>27.49</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	41	57,951	1.02	6.52
WIPRO LTD.	48	18,924	0.33	2.13
		<b>76,875</b>	<b>1.35</b>	<b>8.65</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	27	64,199	1.13	7.23
		<b>64,199</b>	<b>1.13</b>	<b>7.23</b>
<b>MANUFACTURE OF MEDICINAL SUBSTANCES USED IN THE MANUFACTURE OF PHARMACEUTICALS: ANTIBIOTICS, ENDOCRINE PRODUCTS, BASIC VITAMINS; OPIUM DERIVATIVES; SULPHA DRUGS; SERUMS AND PLASMAS; SALICYLIC ACID, ITS SALTS AND ESTERS; GLYCOSIDES AND VEGETABLE ALKAL</b>				
SUN PHARMACEUTICAL INDUSTRIES LTD.	53	50,278	0.88	5.66
DIVIS LABORATORIES LTD.	3	11,116	0.20	1.25
		<b>61,394</b>	<b>1.08</b>	<b>6.91</b>
<b>OTHER CREDIT GRANTING</b>				
BAJAJ FINANCE LIMITED	8	58,686	1.03	6.61
		<b>58,686</b>	<b>1.03</b>	<b>6.61</b>
<b>MANUFACTURE OF PASSENGER CARS</b>				
MARUTI SUZUKI INDIA LTD.	6	52,969	0.93	5.96
		<b>52,969</b>	<b>0.93</b>	<b>5.96</b>
<b>ACTIVITIES OF MAINTAINING AND OPERATING PAGEING, CELLUR AND OTHER TETECOMMUNICATION NETWORKS</b>				
BHARTI AIRTEL LTD.	65	51,994	0.91	5.85
		<b>51,994</b>	<b>0.91</b>	<b>5.85</b>
<b>OTHER CIVIL ENGINEERING PROJECTS N.E.C.</b>				
LARSEN & TOUBRO LTD.	28	51,736	0.91	5.82
		<b>51,736</b>	<b>0.91</b>	<b>5.82</b>
<b>MANUFACTURE OF VEGETABLE OILS AND FATS EXCLUDING CORN OIL</b>				
MARICO LIMITED	83	44,642	0.78	5.03
		<b>44,642</b>	<b>0.78</b>	<b>5.03</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	20668 17 85 174	19524 95 44 541	18597 75 20 175
Reserves and Surplus	2	54535 91 29 555	51198 82 77 105	48273 89 79 771
Current Liabilities and Provisions	3	46 67 94 786	25 03 03 208	60 71 97 607
<b>Total</b>		<b>75250 77 09 515</b>	<b>70748 81 24 854</b>	<b>66932 36 97 553</b>
<b>Assets</b>				
Investments	4	73783 46 97 553	69432 13 17 881	65576 16 95 865
Deposits	5	-	-	-
Other Current Assets	6	1467 30 11 962	1316 68 06 973	1356 20 01 688
<b>Total</b>		<b>75250 77 09 515</b>	<b>70748 81 24 854</b>	<b>66932 36 97 553</b>
(a) Net assets as per Balance Sheets		75204 09 14 729	70723 78 21 646	66871 64 99 946
(b) Number of units outstanding		2066 81 78 517	1952 49 54 454	1859 77 52 017
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		88 05 45 666	40 80 94 423	73 26 96 264
Interest		2243 88 12 458	2020 93 02 542	1874 66 98 580
Profit on sale/redemption of investments		244 13 63 306	250 73 45 887	327 91 37 669
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		687 47 18 940	386 07 81 465	1821 74 89 905
Other income				
- Miscellaneous Income		4	23	6
<b>Total Income (A)</b>		<b>3263 54 40 374</b>	<b>2698 55 24 340</b>	<b>4097 60 22 424</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		2825 59 03 214	2130 70 46 889	368 56 67 904
Loss on sale/redemption of investments		28 77 27 462	27 86 85 244	9 04 02 089
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		20 22 64 183	19 61 80 688	19 01 63 229
NPS Trust fees		1 81 15 148	1 71 10 758	1 60 08 435
Custodian fees (including GST)		27 499	1 08 59 235	1 03 91 205
Depository and settlement charges (including GST)		25 69 826	22 00 877	17 87 095
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		2 72 349	1 78 550	1 23 566
Less: Amount recoverable on sale of units on account of CRA Charges		( 2 72 349)	( 1 78 550)	( 1 23 566)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>2876 66 07 332</b>	<b>2181 20 83 691</b>	<b>399 44 19 957</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>386 88 33 042</b>	<b>517 34 40 649</b>	<b>3698 16 02 467</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		2138 11 84 274	1744 62 65 424	(1453 18 22 001)
Less: Amount transferred (to) / from General Reserve		(2525 00 17 316)	(2261 97 06 073)	(2244 97 80 466)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	19524 95 44 541	18597 75 20 175	17828 08 14 702
Add :Units issued during the year	1458 37 16 820	1205 14 02 855	964 48 19 898
Less: Units redeemed during the year	(315 14 76 187)	(277 93 78 489)	(194 81 14 425)
<b>Outstanding at the end of the year</b>	<b>20668 17 85 174</b>	<b>19524 95 44 541</b>	<b>18597 75 20 175</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	1952 49 54 454	1859 77 52 017	1782 80 81 470
Add :Units issued during the year	145 83 71 682	120 51 40 286	96 44 81 990
Less: Units redeemed during the year	(31 51 47 619)	(27 79 37 849)	(19 48 11 443)
<b>Outstanding units at the end of the year</b>	<b>2066 81 78 517</b>	<b>1952 49 54 454</b>	<b>1859 77 52 017</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	26264 02 09 819	23856 43 53 134	21964 32 17 279
Add: Premium on Units issued	3765 42 69 628	3130 61 48 719	2379 61 55 670
Less: Premium on Units redeemed	(815 22 50 220)	(723 02 92 034)	(487 50 19 815)
Add: Transfer from General Reserve	-	-	-
<b>Closing Balance</b>	<b>29214 22 29 227</b>	<b>26264 02 09 819</b>	<b>23856 43 53 134</b>
<b>General Reserve</b>			
Opening Balance	19484 85 75 765	17222 88 69 692	14977 90 89 226
Add: Transfer from Revenue Account	2525 00 17 316	2261 97 06 073	2244 97 80 466
Less: Transfer to Unit Premium Reserve	-	-	-
<b>Closing Balance</b>	<b>22009 85 93 081</b>	<b>19484 85 75 765</b>	<b>17222 88 69 692</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	5449 94 91 521	7194 57 56 945	5741 39 34 944
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(2138 11 84 274)	(1744 62 65 424)	1453 18 22 001
<b>Closing Balance</b>	<b>3311 83 07 247</b>	<b>5449 94 91 521</b>	<b>7194 57 56 945</b>
<b>Total</b>	<b>54535 91 29 555</b>	<b>51198 82 77 105</b>	<b>48273 89 79 771</b>
<b>Schedule 3</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	3 64 49 020	4 21 78 418	9 76 73 315
Book Overdraft	-	-	-
Redemption Payable	18 68 42 245	20 50 69 902	14 08 92 123
TDS Payable	28 87 204	30 54 888	28 80 747
Contracts for purchase of investments	24 06 16 317	-	36 57 51 422
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>46 67 94 786</b>	<b>25 03 03 208</b>	<b>60 71 97 607</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CENTRAL GOVT**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	10515 35 71 861	9960 39 09 926	9847 02 03 261
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	20420 97 51 699	20532 60 16 239	21346 83 81 472
Central and State Government Securities (including treasury bills)	39917 58 26 450	35883 76 42 278	32977 38 22 771
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	305 44 40 510	-	-
Others - Mutual Fund Units	2624 11 07 033	3055 37 49 438	1404 92 88 361
Non Convertible Debentures classified as NPA	94 00 00 000	134 00 00 000	179 00 00 000
Less: Provision on Non performing investment	(94 00 00 000)	(134 00 00 000)	(179 00 00 000)
<b>Total</b>	<b>73783 46 97 553</b>	<b>69432 13 17 881</b>	<b>65576 16 95 865</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	80 00 000	7 60 95 000	11 54 00 001
Contracts for sale of investments	10 34 92 778	-	-
Interest Receivable on Non-Performing Investments	26 23 42 599	26 23 42 599	26 23 42 599
Less: Provision for interest on Non-Performing Investment	(26 23 42 599)	(26 23 42 599)	(26 23 42 599)
Outstanding and accrued income	1443 55 87 254	1287 31 67 359	1305 96 55 388
Dividend Receivable	58 10 035	1 74 67 833	13 56 34 358
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	12 01 21 895	20 00 76 781	25 13 11 941
Redemption receivable on Non performing Investment	159 00 00 000	119 00 00 000	74 00 00 000
Less: Provision for Non Performing Investment	(159 00 00 000)	(119 00 00 000)	(74 00 00 000)
<b>Total</b>	<b>1467 30 11 962</b>	<b>1316 68 06 973</b>	<b>1356 20 01 688</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Central Govt

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 1<sup>st</sup> April, 2008.
3. **Investment pattern to be followed as per PFRDA Regulations:**

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 as amended from time to time to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting financial year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the financial year in which those are crystallized.
- 3. Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
- 4. Investments:**

  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed

Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights / Bonus entitlements, if any, are accounted on ex-right/ ex-bonus date of the principal stock exchange.
  - e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
  - f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
  - g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
  - h. Investments are reconciled with the custodian records on daily basis.
  - i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.
5. **Valuation of investments:** Investments are valued using the price determined in the following manner:
- Equity:**
    - i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
    - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

**i) All Instruments/Securities with residual maturity of more than 30 days :**

- a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
- b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
- c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

**ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

**iii) Only Callable Bonds (single/multiple call options),** which are callable by the issuer, are valued at lowest value on each call option date.

**iv) Only Puttable Bonds (single/multiple put options),** which are puttable by the investor, are valued at highest value on each put option date.

- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

- i) **Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.
- ii) **Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:  
All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.



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

**7. Non Performing Investments:**

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

**Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

**8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**9. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. Unit Capital:** Units are created and redeemed based on the intimation provided by Central Record Keeping Agency (CRA) and the same are reflected as Unit Capital and the net premium or discount to the face value is transferred to the Unit Premium Reserve.
- E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.0102% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 20,22,64,183. (Previous Period ₹ 19,61,80,688)

- F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 1,81,15,148	₹ 1,71,10,758

- G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
26,453.69	36.60	17,391.16	24.06	19,381.06	28.23	13,099.42	19.08

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ 12,907.97 Crores. (Previous Period ₹ 8,432.86 Crores).

**I. Net Asset Value:**

Current Period	Previous Period
As on 30th Sept, 2022	As on 31st March, 2022
₹ 36.3864	₹ 36.2222

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
3,263.54	4.51	2,876.66	3.98	2,698.55	3.93	2,181.21	3.18

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

₹ in Crores

Particular	₹ in Crores	
	As on 30th Sept, 2022****	As on 31st March, 2022****
Book Value	253.00	253.00
Provision for NPA	253.00	253.00
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.34	0.36

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure B).

- N.** Contingent liability as on 30<sup>th</sup> September, 2022 is ₹ 10,28,43,986 towards uncalled amount of ₹ 401.25 per shares on 2,56,309 Partly Paid shares of Bharti Airtel Limited. (Previous Period ₹ 10,28,43,986).
- O.** Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 30<sup>th</sup> September, 2022 is ₹ NIL. (Previous Period ₹ Nil)
- P.** As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.
- Q. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 15,824.06	₹ 1,416.34	₹ 12,872.54	₹ 1,997.50

- R. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.
- S.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

<b>Industry and Company Particulars</b>	<b>Quantity</b>	<b>Market Value (₹)</b>	<b>% to Net Asset</b>	<b>% to investment category</b>
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	1,03,63,282	8,93,31,49,084	1.19	8.50
HDFC BANK LTD.	45,65,400	6,48,90,31,290	0.86	6.17
STATE BANK OF INDIA	85,87,000	4,55,62,62,200	0.61	4.33
AXIS BANK LTD.	51,74,200	3,79,37,23,440	0.50	3.61
KOTAK MAHINDRA BANK LTD.	16,47,395	2,99,69,40,984	0.40	2.85
INDUSIND BANK LTD.	12,09,359	1,43,33,32,287	0.19	1.36
BANK OF BARODA	28,93,135	38,30,51,074	0.05	0.36
IDFC BANK LIMITED	23,86,722	11,89,78,092	0.02	0.11
YES BANK	6,81,131	1,06,59,700	0.00	0.01
		<b>28,71,51,28,151</b>	<b>3.82</b>	<b>27.30</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	49,15,456	6,94,77,51,283	0.92	6.61
HCL TECHNOLOGIES LIMITED	9,59,382	89,44,79,808	0.12	0.85
WIPRO LTD.	17,31,358	68,25,87,892	0.09	0.65
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED	48,500	14,46,51,250	0.02	0.14
		<b>8,66,94,70,233</b>	<b>1.15</b>	<b>8.25</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	31,28,953	7,43,98,67,996	0.99	7.08
		<b>7,43,98,67,996</b>	<b>0.99</b>	<b>7.08</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	20,02,50,000	19,69,88,38,828	2.62	9.49
RURAL ELECTRIFICATION CORPORATION LIMITED	7,63,30,000	7,75,37,84,457	1.03	3.73
POWER FINANCE CORPORATION LTD.	5,64,40,000	5,75,62,99,267	0.77	2.77
HOUSING AND URBAN DEVELOPMENT CORPORATION	3,70,00,000	3,87,01,28,900	0.51	1.86
EXPORT IMPORT BANK OF INDIA	3,81,10,000	3,84,78,22,366	0.51	1.85
HDB FINANCIAL SERVICES LTD.	1,72,00,000	1,75,60,27,910	0.23	0.85
BAJAJ FINANCE LIMITED	1,05,00,000	1,04,11,00,750	0.14	0.50
TATA CAPITAL FINANCIAL SERVICES LIMITED	40,00,000	39,67,49,750	0.05	0.19
NATIONAL HOUSING BANK	25,00,000	24,86,09,000	0.03	0.12
TATA CAPITAL HOUSING FINANCE LIMITED	15,00,000	14,95,83,750	0.02	0.07
MUTHOOT FINANCE LIMITED	15,00,000	14,87,99,400	0.02	0.07
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	15,00,000	14,79,48,450	0.02	0.07
KOTAK MAHINDRA PRIME LIMITED	14,00,000	13,96,08,560	0.02	0.07
INDIA INFRASTRUCTURE FINANCE CO. LTD.	10,00,000	11,40,91,500	0.02	0.05
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITEI	10,00,000	9,94,15,200	0.01	0.05
SHRIRAM TRANSPORT FINANCE CO. LTD.	4,50,000	4,66,17,120	0.01	0.02
		<b>45,21,54,25,208.00</b>	<b>6.01</b>	<b>21.76</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	16,77,50,000	16,98,95,40,818	2.26	8.18
ICICI BANK LTD.	12,26,80,000	12,13,20,54,857	1.61	5.84
STATE BANK OF INDIA	5,17,00,000	5,06,65,87,910	0.67	2.44
HDFC BANK LTD.	4,24,10,000	4,28,11,52,355	0.57	2.06
BANK OF BARODA	2,55,00,000	2,54,14,98,950	0.34	1.22
IDFC BANK LIMITED	93,80,000	94,47,94,393	0.13	0.45
YES BANK	30,00,000	28,33,77,600	0.04	0.14
PUNJAB NATIONAL BANK	10,00,000	10,09,91,800	0.01	0.05
ING VYSYA BANK LTD.	8,00,000	8,02,83,680	0.01	0.04
		<b>42,42,02,82,363</b>	<b>5.64</b>	<b>20.42</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	13,71,00,000	13,53,97,27,159	1.80	6.52
LIC HOUSING FINANCE LTD.	12,30,00,000	12,47,37,42,738	1.66	6.01
		<b>26,01,34,69,897.00</b>	<b>3.46</b>	<b>12.53</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	19,23,80,000	19,10,94,89,570	2.54	9.20
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	5,45,00,000	5,40,46,45,550	0.72	2.60
		<b>24,51,41,35,120</b>	<b>3.26</b>	<b>11.80</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	17,69,40,000	17,35,19,77,828	2.31	8.36
		<b>17,35,19,77,828</b>	<b>2.31</b>	<b>8.36</b>
<b>ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS</b>				
NATIONAL THERMAL POWER CORPORATION LTD.	11,74,30,000	11,34,70,79,807	1.51	5.46
JAMNAGAR UTILITIES & POWER PRIVATE LIMITED	4,33,70,000	4,24,30,42,395	0.56	2.04
		<b>15,59,01,22,202.00</b>	<b>2.07</b>	<b>7.50</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	10,23,50,000	10,40,73,91,520	1.38	5.01
		<b>10,40,73,91,520</b>	<b>1.38</b>	<b>5.01</b>



## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	10.50% ILFS FIN. SER. 17/09/2018	9.00	17-Dec-18	9.00	9.00
2	9.54% ILFS FIN. SER. LTD. 28/09/2022	10.00	28-Dec-18	10.00	10.00
3	8.50% ILFS FIN. SER. LTD. 30/09/2026	5.00	01-Jan-19	5.00	5.00
4	8.65% ILFS FIN. SER. LTD. 06/12/2021	20.00	06-Mar-19	20.00	20.00
5	8.68% ILFS FIN. SER. LTD. 05/12/2026	10.00	06-Mar-19	10.00	10.00
6	10.30% ILFS 28/12/2021	15.00	28-Mar-19	15.00	15.00
7	9.55% ILFS FIN. SER. 28/02/2023	10.00	28-May-19	10.00	10.00
8	8.90% ILFS FIN. SER. LTD. 26/03/2021	5.00	28-Jun-19	5.00	5.00
9	8.65% ILFS FIN. SER. LTD. 18/07/2021	15.00	18-Oct-19	15.00	15.00
10	8.75% ILFS FIN. SER. LTD. 31/07/2021	10.00	01-Nov-19	10.00	10.00
11	10.15% ILFS FIN SER 29/06/2022	15.00	29-Sep-19	15.00	15.00
12	8.75% ILFS FIN. SER. LTD. 14/08/2026	10.00	16-Nov-19	10.00	10.00
13	8.51% ILFS FIN. SER. LTD. 11/09/2026	14.00	12-Dec-19	14.00	14.00
<b>TOTAL</b>		<b>148.00</b>		<b>148.00</b>	<b>148.00</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	9.98% ILFS 05/12/2018	10.00	05-Mar-19	10.00	10.00
2	9.00% ILFS 28/12/2024	5.00	29-Mar-19	5.00	5.00
3	9.82% ILFS 24/01/2022	10.00	24-Apr-19	10.00	10.00
4	8.30% ILFS 24/01/2023	20.00	24-Apr-19	20.00	20.00
5	9.95% ILFS 04/02/2019	5.00	04-May-19	5.00	5.00
6	9.70% ILFS 22/02/2021	10.00	22-May-19	10.00	10.00
7	9.68% ILFS 25/07/2021	10.00	25-Oct-19	10.00	10.00
8	8.06% ILFS 11/05/2022	15.00	11-Aug-19	15.00	15.00
9	9.55% ILFS 13/08/2024	10.00	13-Nov-19	10.00	10.00
10	8.69% ILFS 25/08/2025	10.00	26-Nov-19	10.00	10.00
<b>TOTAL</b>		<b>105.00</b>		<b>105.00</b>	<b>105.00</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b><u>Liabilities</u></b>				
Unit Capital	1	40136 52 83 651	37190 63 48 783	34277 58 38 855
Reserves and Surplus	2	89820 67 66 361	82656 54 91 019	75360 51 86 848
Current Liabilities and Provisions	3	63 34 03 312	46 53 90 427	169 58 23 747
<b>Total</b>		<b>130020 54 53 324</b>	<b>119893 72 30 229</b>	<b>109807 68 49 450</b>
<b><u>Assets</u></b>				
Investments	4	127565 39 99 111	117766 53 50 290	107683 81 34 755
Deposits	5	-	-	-
Other Current Assets	6	2455 14 54 213	2127 18 79 939	2123 87 14 695
<b>Total</b>		<b>130020 54 53 324</b>	<b>119893 72 30 229</b>	<b>109807 68 49 450</b>
(a) Net assets as per Balance Sheets		129957 20 50 012	119847 18 39 802	109638 10 25 703
(b) Number of units outstanding		4013 65 28 365	3719 06 34 878	3427 75 83 885
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		151 00 01 131	67 82 44 667	123 94 02 294
Interest		3764 04 46 479	3307 04 70 904	2995 69 02 215
Profit on sale/redemption of investments		363 33 58 650	366 70 07 019	395 52 46 466
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		1240 56 96 538	708 11 33 022	3017 42 47 335
Other income				
- Miscellaneous Income		-	121	-
<b>Total Income (A)</b>		<b>5518 95 02 798</b>	<b>4449 68 55 733</b>	<b>6532 57 98 310</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		4694 25 04 222	3485 13 51 439	544 38 63 257
Loss on sale/redemption of investments		38 05 49 987	49 31 78 275	11 56 60 127
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		34 55 63 956	32 55 40 898	30 79 42 397
NPS Trust fees		3 09 51 342	2 83 95 364	2 59 25 809
Custodian fees (including GST)		46 086	1 81 03 950	1 68 56 397
Depository and settlement charges (including GST)		42 74 942	39 83 015	28 87 649
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		9 81 259	3 63 307	2 31 430
Less: Amount recoverable on sale of units on account of CRA Charges		( 9 81 259)	( 3 63 307)	( 2 31 430)
Provision for Non-Performing Assets		-	-	-
Other Expenses		1	-	-
<b>Total Expenditure (B)</b>		<b>4770 38 90 536</b>	<b>3572 05 52 941</b>	<b>591 31 35 636</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>748 56 12 262</b>	<b>877 63 02 792</b>	<b>5941 26 62 674</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		3453 68 07 684	2777 02 18 417	(2473 03 84 078)
Less: Amount transferred (to) / from General Reserve		(4202 24 19 946)	(3654 65 21 209)	(3468 22 78 596)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	37190 63 48 783	34277 58 38 855	32124 74 29 117
Add :Units issued during the year	3346 93 29 110	3145 41 46 909	2325 83 98 764
Less: Units redeemed during the year	(401 03 94 242)	(232 36 36 981)	(172 99 89 026)
<b>Outstanding at the end of the year</b>	<b>40136 52 83 651</b>	<b>37190 63 48 783</b>	<b>34277 58 38 855</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	3719 06 34 878	3427 75 83 885	3212 47 42 912
Add :Units issued during the year	334 69 32 911	314 54 14 691	232 58 39 876
Less: Units redeemed during the year	(40 10 39 424)	(23 23 63 698)	(17 29 98 903)
<b>Outstanding units at the end of the year</b>	<b>4013 65 28 365</b>	<b>3719 06 34 878</b>	<b>3427 75 83 885</b>

Schedule 2	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	48692 07 91 260	42273 67 89 881	37775 25 94 492
Add: Premium on Units issued	7292 22 71 708	6930 54 92 100	4864 50 27 900
Less: Premium on Units redeemed	(876 66 08 628)	(512 14 90 721)	(366 08 32 511)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>55107 64 54 340</b>	<b>48692 07 91 260</b>	<b>42273 67 89 881</b>
<b>General Reserve</b>			
Opening Balance	26090 97 34 315	22436 32 13 106	18968 09 34 510
Add: Transfer from Revenue Account	4202 24 19 946	3654 65 21 209	3468 22 78 596
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>30293 21 54 261</b>	<b>26090 97 34 315</b>	<b>22436 32 13 106</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	7873 49 65 444	10650 51 83 861	8177 47 99 783
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(3453 68 07 684)	(2777 02 18 417)	2473 03 84 078
Closing Balance	<b>4419 81 57 760</b>	<b>7873 49 65 444</b>	<b>10650 51 83 861</b>
<b>Total</b>	<b>89820 67 66 361</b>	<b>82656 54 91 019</b>	<b>75360 51 86 848</b>

Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	6 26 87 330	7 09 82 977	15 92 05 418
Book Overdraft	-	-	-
Redemption Payable	16 01 99 845	17 35 62 554	18 94 67 804
TDS Payable	49 70 560	51 44 896	47 06 779
Contracts for purchase of investments	40 55 45 577	-	134 24 43 746
Amount Payable to Other Schemes	-	21 57 00 000	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>63 34 03 312</b>	<b>46 53 90 427</b>	<b>169 58 23 747</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - STATE GOVT**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	18053 90 11 448	16734 42 07 244	16070 44 67 657
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	35220 34 44 896	32594 94 33 604	33337 08 28 879
Central and State Government Securities (including treasury bills)	68855 86 39 159	62896 77 21 281	55215 66 35 594
Commercial Paper	-	-	-
ALF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	531 22 38 060	-	-
Others - Mutual Fund Units	4904 06 65 548	5540 39 88 161	3060 62 02 625
Non Convertible Debentures classified as NPA	157 60 00 000	182 60 00 000	233 96 00 000
Less: Provision on Non performing investment	(157 60 00 000)	(182 60 00 000)	(233 96 00 000)
<b>Total</b>	<b>127565 39 99 111</b>	<b>117766 53 50 290</b>	<b>107683 81 34 755</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	2 16 00 000	64 82 93 500	18 27 00 001
Contracts for sale of investments	20 64 05 556	-	-
Interest Receivable on Non-Performing Investments	36 36 77 521	36 36 77 521	36 36 77 521
Less: Provision for interest on Non-Performing Investment	(36 36 77 521)	(36 36 77 521)	(36 36 77 521)
Outstanding and accrued income	2393 45 88 490	2059 71 71 534	2033 40 05 646
Dividend Receivable	86 69 716	2 62 21 109	26 96 21 841
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	38 01 90 451	1 93 796	45 23 87 207
Redemption receivable on Non performing Investment	187 16 00 000	162 16 00 000	110 80 00 000
Less: Provision for Non Performing Investment	(187 16 00 000)	(162 16 00 000)	(110 80 00 000)
<b>Total</b>	<b>2455 14 54 213</b>	<b>2127 18 79 939</b>	<b>2123 87 14 695</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - State Govt.

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 25<sup>th</sup> June, 2009.

### **3. Investment pattern to be followed as per the PFRDA Regulation:**

<b>Sr. No.</b>	<b>Investment Pattern</b>	<b>% of amount to be invested</b>
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 as amended from time to time to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
- 3. Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
- 4. Investments:**

  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed



Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights / Bonus entitlements, if any, are accounted on ex-right/ ex-bonus date of the principal stock exchange.
  - e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
  - f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
  - g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
  - h. Investments are reconciled with the custodian records on daily basis.
  - i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.
5. **Valuation of investments:** Investments are valued using the price determined in the following manner:
- Equity:**
- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
  - ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

**i) All Instruments/Securities with residual maturity of more than 30 days :**

- a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
- b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
- c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

**ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

**iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.**

- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.
- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

**i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

**ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

**7. Non Performing Investments:**

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

**Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

#### **8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.0102% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 34,55,63,956. (Previous Period ₹ 32,55,40,898).

**F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 3,09,51,342	₹ 2,83,95,364

**G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
46,544.46	37.68	29,605.46	23.97	35,982.24	31.58	21,945.39	19.26

**H.** The aggregate value of non-traded investments (other than government securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ 22,094.14 Crores. (Previous Period ₹ 14,411.94 Crores)

**I. Net Asset Value:**

Current Period	Previous Period
As on 30th September, 2022	As on 31st March, 2022
₹ 32.3787	₹ 32.2250

**J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
5,518.95	4.47	4,770.39	3.86	4,449.69	3.91	3,572.06	3.13

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

₹ in Crores

Particular	As on	
	30th Sept, 2022****	31st March, 2022****
Book Value	344.76	344.76
Provision for NPA	344.76	344.76
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.27	0.29

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure B).

- N.** Contingent liability as on 30<sup>th</sup> September, 2022 is ₹ 18,15,29,513 towards uncalled amount of ₹ 401.25 per shares on 4,52,410 Partly Paid shares of Bharti Airtel Limited. (Previous Period ₹ 18,15,29,513).
- O.** Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 30<sup>th</sup> September, 2022 is ₹ NIL. (Previous Period ₹ Nil)
- P.** As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.
- Q. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 27,573.97	₹ 2,432.72	₹ 22,141.60	₹ 3,247.23



- R. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.
- S.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	1,77,41,816	15,29,34,45,392	1.18	8.47
HDFC BANK LTD.	78,01,100	11,08,80,93,485	0.85	6.14
STATE BANK OF INDIA	1,45,97,700	7,74,55,39,620	0.60	4.29
AXIS BANK LTD.	88,18,600	6,46,57,97,520	0.50	3.58
KOTAK MAHINDRA BANK LTD.	27,58,408	5,01,80,95,834	0.39	2.78
INDUSIND BANK LTD.	17,91,233	2,12,29,69,352	0.16	1.18
BANK OF BARODA	42,41,911	56,16,29,016	0.04	0.31
IDFC BANK LIMITED	31,02,982	15,46,83,653	0.01	0.09
YES BANK	14,76,775	2,31,11,529	0.00	0.01
		<b>48,47,33,65,401</b>	<b>3.73</b>	<b>26.85</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	83,76,394	11,83,96,14,099	0.91	6.56
HCL TECHNOLOGIES LIMITED	16,35,946	1,52,52,74,253	0.12	0.84
WIPRO LTD.	29,66,225	1,16,94,34,206	0.09	0.65
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED	89,400	26,66,35,500	0.02	0.15
		<b>14,80,09,58,058</b>	<b>1.14</b>	<b>8.20</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	53,48,535	12,71,74,79,096	0.98	7.04
		<b>12,71,74,79,096</b>	<b>0.98</b>	<b>7.04</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	31,54,00,000	31,00,09,14,554	2.39	8.66
EXPORT IMPORT BANK OF INDIA	13,71,90,000	13,76,01,26,310	1.06	3.84
RURAL ELECTRIFICATION CORPORATION LIMITED	12,10,80,000	12,35,34,96,737	0.95	3.45
POWER FINANCE CORPORATION LTD.	9,76,10,000	9,90,86,00,632	0.76	2.77
HOUSING AND URBAN DEVELOPMENT CORPORATION	7,29,90,000	7,62,59,23,128	0.59	2.13
BAJAJ FINANCE LIMITED	3,55,00,000	3,45,94,53,150	0.27	0.97
HDB FINANCIAL SERVICES LTD.	1,78,50,000	1,82,84,49,205	0.14	0.51
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITEI	1,15,00,000	1,13,51,70,800	0.09	0.32
NATIONAL HOUSING BANK	74,80,000	74,16,44,936	0.06	0.21
KOTAK MAHINDRA PRIME LIMITED	51,00,000	50,62,55,100	0.04	0.14
TATA CAPITAL FINANCIAL SERVICES LIMITED	39,00,000	38,75,86,410	0.03	0.11
TATA CAPITAL HOUSING FINANCE LIMITED	35,00,000	34,71,33,500	0.03	0.10
MUTHOOT FINANCE LIMITED	25,00,000	24,79,99,000	0.02	0.07
INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	9,50,000	9,37,00,685	0.01	0.03
INDIA INFRASTRUCTURE FINANCE CO. LTD.	5,00,000	5,70,45,750	0.00	0.02
		<b>83,45,34,99,897</b>	<b>6.44</b>	<b>23.33</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	28,70,30,000	29,04,60,66,889	2.24	8.11
ICICI BANK LTD.	20,05,60,000	19,67,23,03,144	1.51	5.49
STATE BANK OF INDIA	8,96,00,000	8,78,17,31,540	0.68	2.45
HDFC BANK LTD.	6,64,40,000	6,66,48,28,450	0.51	1.86
BANK OF BARODA	4,39,00,000	4,37,50,44,210	0.34	1.22
IDFC BANK LIMITED	1,24,40,000	1,25,36,14,358	0.10	0.35
YES BANK	47,00,000	43,21,70,280	0.03	0.12
PUNJAB NATIONAL BANK	9,00,000	9,08,92,620	0.01	0.03
ING VYSYA BANK LTD.	7,00,000	7,02,48,220	0.01	0.02
		<b>70,38,68,99,711</b>	<b>5.43</b>	<b>19.65</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	29,43,20,000	29,45,53,03,513	2.27	8.23
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	13,60,00,000	13,49,08,55,900	1.04	3.77
		<b>42,94,61,59,413</b>	<b>3.31</b>	<b>12.00</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	25,47,60,000	25,27,17,66,324	1.94	7.06
LIC HOUSING FINANCE LTD.	15,01,50,000	15,19,21,14,218	1.17	4.24
		<b>40,46,38,80,542</b>	<b>3.11</b>	<b>11.30</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	26,26,40,000	25,94,26,11,432	2.00	7.25
		<b>25,94,26,11,432</b>	<b>2.00</b>	<b>7.25</b>
<b>ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS</b>				
NATIONAL THERMAL POWER CORPORATION LTD.	19,95,90,000	19,37,68,23,147	1.49	5.41
JAMNAGAR UTILITIES & POWER PRIVATE LIMITED	5,87,50,000	5,70,85,55,190	0.44	1.59
		<b>25,08,53,78,337</b>	<b>1.93</b>	<b>7.00</b>

## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	10.50% ILFS FIN. SER. 17/09/2018	10.00	17-Dec-18	10.00	10.00
2	9.65% ILFS FIN SER 18/09/2019	20.00	18-Dec-18	20.00	20.00
3	9.54% ILFS FIN. SER. LTD. 28/09/2022	5.00	28-Dec-18	5.00	5.00
4	8.50% ILFS FIN. SER. LTD. 30/09/2026	20.00	01-Jan-19	20.00	20.00
5	8.65% ILFS FIN. SER. LTD. 06/12/2021	22.00	06-Mar-19	22.00	22.00
6	8.68% ILFS FIN. SER. LTD. 05/12/2026	10.00	06-Mar-19	10.00	10.00
7	10.30% ILFS 28/12/2021	14.36	28-Mar-19	14.36	14.36
8	9.55% ILFS FIN. SER. 28/02/2023	5.00	28-May-19	5.00	5.00
9	10.30% ILFS FIN SER 22/03/2022	15.00	22-Jun-19	15.00	15.00
10	8.75% ILFS FIN. SER. LTD. 28/03/2023	28.00	28-Jun-19	28.00	28.00
11	8.90% ILFS FIN. SER. LTD. 26/03/2021	20.00	28-Jun-19	20.00	20.00
12	8.65% ILFS FIN. SER. LTD. 18/07/2021	10.00	18-Oct-19	10.00	10.00
13	8.75% ILFS FIN. SER. LTD. 31/07/2021	15.00	01-Nov-19	15.00	15.00
14	10.15% ILFS FIN SER 29/06/2022	10.00	29-Sep-19	10.00	10.00
15	8.75% ILFS FIN. SER. LTD. 14/08/2026	15.00	16-Nov-19	15.00	15.00
16	8.51% ILFS FIN. SER. LTD. 11/09/2026	10.00	12-Dec-19	10.00	10.00
<b>TOTAL</b>		<b>229.36</b>		<b>229.36</b>	<b>229.36</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	9.98% ILFS 05/12/2018	9.80	05-Mar-19	9.80	9.80
2	9.00% ILFS 28/12/2024	10.00	29-Mar-19	10.00	10.00
3	8.75% ILFS 23/01/2025	10.00	23-Apr-19	10.00	10.00
4	8.30% ILFS 24/01/2023	25.00	24-Apr-19	25.00	25.00
5	9.95% ILFS 04/02/2019	15.00	04-May-19	15.00	15.00
6	9.70% ILFS 22/02/2021	4.00	22-May-19	4.00	4.00
7	8.90% ILFS 15/03/2021	7.00	15-Jun-19	7.00	7.00
8	8.06% ILFS 11/05/2022	10.00	11-Aug-19	10.00	10.00
9	9.50% ILFS 28/07/2024	5.00	29-Oct-19	5.00	5.00
10	9.55% ILFS 13/08/2024	5.00	13-Nov-19	5.00	5.00
11	8.69% ILFS 25/08/2025	14.60	26-Nov-19	14.60	14.60
<b>TOTAL</b>		<b>115.40</b>		<b>115.40</b>	<b>115.40</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	446 63 65 138	445 44 07 890	443 13 55 948
Reserves and Surplus	2	900 71 59 727	894 04 97 842	877 74 69 486
Current Liabilities and Provisions	3	55 66 326	43 62 175	3 70 39 143
<b>Total</b>		<b>1347 90 91 191</b>	<b>1339 92 67 907</b>	<b>1324 58 64 577</b>
<b>Assets</b>				
Investments	4	1321 78 56 120	1316 46 81 124	1297 99 10 792
Deposits	5	-	-	-
Other Current Assets	6	26 12 35 071	23 45 86 783	26 59 53 785
<b>Total</b>		<b>1347 90 91 191</b>	<b>1339 92 67 907</b>	<b>1324 58 64 577</b>
(a) Net assets as per Balance Sheets		1347 35 24 865	1339 49 05 732	1320 88 25 434
(b) Number of units outstanding		44 66 36 514	44 54 40 789	44 31 35 595
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		1 72 53 255	83 62 677	1 54 18 460
Interest		43 47 56 837	39 94 48 119	38 36 07 300
Profit on sale/redemption of investments		4 65 05 721	7 20 59 639	10 28 78 257
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		11 69 82 119	6 70 24 160	32 78 56 089
Other income				
- Miscellaneous Income		-	6	8
<b>Total Income (A)</b>		<b>61 54 97 932</b>	<b>54 68 94 601</b>	<b>82 97 60 114</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		55 97 74 630	42 28 80 900	6 61 99 944
Loss on sale/redemption of investments		85 17 560	21 08 723	87 871
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		37 13 356	37 89 035	38 10 640
NPS Trust fees		3 32 516	3 30 441	3 20 741
Custodian fees (including GST)		522	2 08 991	2 07 995
Depository and settlement charges (including GST)		42 627	38 157	34 906
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		93 08 489	93 29 752	94 38 984
Less: Amount recoverable on sale of units on account of CRA Charges		( 93 08 489)	( 93 29 752)	( 94 38 984)
Provision for Non-Performing Assets		-	-	-
Other Expenses		15	-	-
<b>Total Expenditure (B)</b>		<b>57 23 81 226</b>	<b>42 93 56 247</b>	<b>7 06 62 097</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>4 31 16 706</b>	<b>11 75 38 354</b>	<b>75 90 98 017</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		44 27 92 511	35 58 56 740	(26 16 56 145)
Less: Amount transferred (to) / from General Reserve		(48 59 09 217)	(47 33 95 094)	(49 74 41 872)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	445 44 07 890	443 13 55 948	441 92 25 155
Add :Units issued during the year	8 47 64 186	9 16 77 673	8 06 22 191
Less: Units redeemed during the year	(7 28 06 938)	(6 86 25 731)	(6 84 91 398)
<b>Outstanding at the end of the year</b>	<b>446 63 65 138</b>	<b>445 44 07 890</b>	<b>443 13 55 948</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	44 54 40 789	44 31 35 595	44 19 22 515
Add :Units issued during the year	84 76 419	91 67 767	80 62 219
Less: Units redeemed during the year	( 72 80 694)	( 68 62 573)	( 68 49 140)
<b>Outstanding units at the end of the year</b>	<b>44 66 36 514</b>	<b>44 54 40 789</b>	<b>44 31 35 595</b>
<b>Schedule 2</b>			
Schedule 2	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	253 29 04 140	248 74 14 138	246 51 57 340
Add: Premium on Units issued	16 72 02 273	18 19 68 376	15 20 90 676
Less: Premium on Units redeemed	(14 36 57 094)	(13 64 78 374)	(12 98 33 878)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>255 64 49 319</b>	<b>253 29 04 140</b>	<b>248 74 14 138</b>
<b>General Reserve</b>			
Opening Balance	513 63 97 465	466 30 02 371	416 55 60 499
Add: Transfer from Revenue Account	48 59 09 217	47 33 95 094	49 74 41 872
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>562 23 06 682</b>	<b>513 63 97 465</b>	<b>466 30 02 371</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	127 11 96 237	162 70 52 977	136 53 96 832
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(44 27 92 511)	(35 58 56 740)	26 16 56 145
Closing Balance	<b>82 84 03 726</b>	<b>127 11 96 237</b>	<b>162 70 52 977</b>
<b>Total</b>	<b>900 71 59 727</b>	<b>894 04 97 842</b>	<b>877 74 69 486</b>
<b>Schedule 3</b>			
Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	6 51 992	7 98 151	19 38 510
Book Overdraft	-	-	-
Redemption Payable	48 62 517	35 06 238	50 03 659
TDS Payable	51 817	57 786	56 958
Contracts for purchase of investments	-	-	3 00 40 016
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>55 66 326</b>	<b>43 62 175</b>	<b>3 70 39 143</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - UTI RETIREMENT SOLUTIONS LIMITED - NPS LITE SCHEME - GOVT PATTERN**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	191 35 22 062	190 27 34 981	195 64 48 831
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	385 26 15 139	407 06 85 651	420 75 62 307
Central and State Government Securities (including treasury bills)	704 42 49 937	669 63 00 055	667 93 15 159
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	5 96 92 260	-	-
Others - Mutual Fund Units	34 77 76 722	49 49 60 437	13 65 84 495
Non Convertible Debentures classified as NPA	-	-	4 45 00 000
Less: Provision on Non performing investment	-	-	(4 45 00 000)
<b>Total</b>	<b>1321 78 56 120</b>	<b>1316 46 81 124</b>	<b>1297 99 10 792</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	-	5 07 001	1
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	61 43 426	61 43 426	61 43 426
Less: Provision for interest on Non-Performing Investment	( 61 43 426)	( 61 43 426)	( 61 43 426)
Outstanding and accrued income	26 06 36 984	23 34 22 745	25 89 73 791
Dividend Receivable	97 500	1 56 684	24 55 800
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	5 00 587	5 00 353	45 24 193
Redemption receivable on Non performing Investment	5 55 00 000	5 55 00 000	1 10 00 000
Less: Provision for Non Performing Investment	(5 55 00 000)	(5 55 00 000)	(1 10 00 000)
<b>Total</b>	<b>26 12 35 071</b>	<b>23 45 86 783</b>	<b>26 59 53 785</b>



## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Limited - NPS Lite Scheme - Govt. Pattern

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 4<sup>th</sup> October, 2010.
3. **Investment pattern to be followed as per PFRDA Regulations:**

<b>Sr. No.</b>	<b>Investment Pattern</b>	<b>% of amount to be invested</b>
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
4. **Investments:**
  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed

Deposits and Mutual Funds units are recognized as of the trade date except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

**5. Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.

- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

**i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

**ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

7. **Non Performing Investments:**

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

**Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

#### **8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit / Loss of sale of Investment
  1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

9. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.



**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.0102% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 37,13,356. (Previous Period ₹ 37,89,035).

**F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 3,32,516	₹ 3,30,441

**G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
225.98	17.04	162.27	12.23	245.83	18.55	178.26	13.45

**H.** The aggregate value of non-traded investments (other than Government Securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ 254.35 Crores. (Previous Period ₹ 177.53 Crores).

**I. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 30.1666	₹ 30.0711

**J. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
61.55	4.64	57.24	4.32	54.69	4.13	42.94	3.24

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security ('asset') are classified as 'Non-Performing Asset' (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

₹ in Crores

Particular	₹ in Crores	
	As on 30th September, 2022****	As on 31st March, 2022****
Book Value	5.55	5.55
Provision for NPA	5.55	5.55
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.41	0.41

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provision has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure B).

- N.** Contingent liability as on 30<sup>th</sup> September, 2022 is ₹ 11,29,118 towards uncalled amount of ₹ 401.25 per shares on 2,814 Partly Paid shares of Bharti Airtel Limited. (Previous Period ₹ 11,29,118).
- O.** Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 30<sup>th</sup> September, 2022 is ₹ NIL. (Previous Period ₹ Nil)
- P.** As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.
- Q. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 136.95	₹ 34.78	₹ 193.44	₹ 49.50

- R. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.
- S.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	1,88,402	16,24,02,524	1.21	8.49
HDFC BANK LTD.	81,808	11,62,77,801	0.86	6.08
STATE BANK OF INDIA	1,55,680	8,26,03,808	0.61	4.32
AXIS BANK LTD.	99,005	7,25,90,466	0.54	3.79
KOTAK MAHINDRA BANK LTD.	29,328	5,33,53,498	0.40	2.79
INDUSIND BANK LTD.	30,070	3,56,38,964	0.26	1.86
BANK OF BARODA	78,155	1,03,47,722	0.08	0.54
IDFC BANK LIMITED	81,204	40,48,019	0.03	0.21
YES BANK	22,800	3,56,820	0.00	0.02
		<b>53,76,19,622</b>	<b>3.99</b>	<b>28.10</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	90,582	12,80,33,128	0.95	6.69
HCL TECHNOLOGIES LIMITED	15,400	1,43,58,190	0.11	0.75
WIPRO LTD.	35,000	1,37,98,750	0.10	0.72
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED	1,400	41,75,500	0.03	0.22
		<b>16,03,65,568</b>	<b>1.19</b>	<b>8.38</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	60,698	14,43,24,670	1.07	7.54
		<b>14,43,24,670</b>	<b>1.07</b>	<b>7.54</b>
<b>MANUFACTURE OF MEDICINAL SUBSTANCES USED IN THE MANUFACTURE OF PHARMACEUTICALS: ANTIBIOTICS, ENDOCRINE PRODUCTS, BASIC VITAMINS; OPIUM DERIVATIVES; SULPHA DRUGS; SERUMS AND PLASMAS; SALICYLIC ACID, ITS SALTS AND ESTERS; GLYCOSIDES AND VEGETABLE ALKAL</b>				
SUN PHARMACEUTICAL INDUSTRIES LTD.	49,885	4,73,23,405	0.35	2.47
CIPLA LTD.	30,700	3,42,28,965	0.25	1.79
DIVIS LABORATORIES LTD.	3,700	1,37,09,240	0.10	0.72
GLAND PHARMA LIMITED	2,150	44,99,628	0.03	0.24
LUPIN LTD.	2,020	13,73,297	0.01	0.07
		<b>10,11,34,535</b>	<b>0.74</b>	<b>5.29</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	35,00,000	34,49,37,350	2.56	8.82
EXPORT IMPORT BANK OF INDIA	19,70,000	20,28,94,542	1.51	5.19
RURAL ELECTRIFICATION CORPORATION LIMITED	16,40,000	16,59,00,808	1.23	4.24
POWER FINANCE CORPORATION LTD.	11,20,000	11,55,63,466	0.86	2.95
HDB FINANCIAL SERVICES LTD.	3,80,000	3,89,02,417	0.29	0.99
		<b>86,81,98,583</b>	<b>6.45</b>	<b>22.19</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	25,20,000	24,65,79,330	1.83	6.30
AXIS BANK LTD.	23,70,000	23,82,48,300	1.77	6.09
STATE BANK OF INDIA	8,00,000	7,86,98,040	0.58	2.01
HDFC BANK LTD.	3,30,000	3,34,14,315	0.25	0.85
BANK OF BARODA	3,00,000	3,00,32,670	0.22	0.77
IDFC BANK LIMITED	2,70,000	2,72,56,708	0.20	0.70
PUNJAB NATIONAL BANK	80,000	80,79,344	0.06	0.21
		<b>66,23,08,707</b>	<b>4.91</b>	<b>16.93</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	30,10,000	29,09,70,465	2.16	7.44
LIC HOUSING FINANCE LTD.	24,30,000	24,69,91,523	1.83	6.31
		<b>53,79,61,988</b>	<b>3.99</b>	<b>13.75</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	35,50,000	33,82,48,015	2.51	8.65
		<b>33,82,48,015</b>	<b>2.51</b>	<b>8.65</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	32,30,000	32,72,21,101	2.43	8.36
		<b>32,72,21,101</b>	<b>2.43</b>	<b>8.36</b>
<b>ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS</b>				
NATIONAL THERMAL POWER CORPORATION LTD.	24,70,000	24,04,21,747	1.78	6.15
JAMNAGAR UTILITIES & POWER PRIVATE LIMITED	5,00,000	4,74,48,600	0.35	1.21
		<b>28,78,70,347</b>	<b>2.13</b>	<b>7.36</b>
<b>TRANSMISSION OF ELECTRIC ENERGY</b>				
POWER GRID CORPORATION OF INDIA LTD.	24,60,000	25,20,20,877	1.87	6.44
		<b>25,20,20,877</b>	<b>1.87</b>	<b>6.44</b>

## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	10.50% ILFS FIN. SER. 17/09/2018	1.00	17-Dec-18	1.00	1.00
2	8.65% ILFS FIN. SER. LTD. 06/12/2021	3.50	06-Mar-19	3.50	3.50
3	10.30% ILFS 28/12/2021	0.40	28-Mar-19	0.40	0.40
4	10.30% ILFS FIN SER 22/03/2022	0.55	22-Jun-19	0.55	0.55
<b>TOTAL</b>		<b>5.45</b>		<b>5.45</b>	<b>5.45</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	9.98% ILFS 05/12/2018	0.10	05-Mar-19	0.10	0.10
<b>TOTAL</b>		<b>0.10</b>		<b>0.10</b>	<b>0.10</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b><u>Liabilities</u></b>				
Unit Capital	1	4113 83 11 101	3716 14 94 260	3337 01 73 060
Reserves and Surplus	2	3535 54 21 713	3163 31 58 517	2807 11 79 137
Current Liabilities and Provisions	3	2 33 46 783	6 87 71 945	10 13 02 522
<b>Total</b>		<b>7651 70 79 597</b>	<b>6886 34 24 722</b>	<b>6154 26 54 719</b>
<b><u>Assets</u></b>				
Investments	4	7511 04 38 726	6763 32 29 488	6039 96 30 142
Deposits	5	-	-	-
Other Current Assets	6	140 66 40 871	123 01 95 234	114 30 24 577
<b>Total</b>		<b>7651 70 79 597</b>	<b>6886 34 24 722</b>	<b>6154 26 54 719</b>
(a) Net assets as per Balance Sheets		7649 37 32 814	6879 46 52 777	6144 13 52 197
(b) Number of units outstanding		411 38 31 110	371 61 49 426	333 70 17 306
Significant Accounting Policies and Notes to Accounts	7			



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		8 96 52 791	3 77 53 312	6 68 61 394
Interest		213 70 29 272	187 18 44 401	162 54 89 902
Profit on sale/redemption of investments		18 69 98 804	16 27 95 042	6 77 63 595
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		73 08 43 737	39 22 07 187	175 94 81 168
Other income				
- Miscellaneous Income		18	115	-
<b>Total Income (A)</b>		<b>314 45 24 622</b>	<b>246 46 00 057</b>	<b>351 95 96 059</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		262 42 75 264	204 26 23 383	27 04 32 012
Loss on sale/redemption of investments		6 74 39 155	3 11 43 058	63 98 801
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		2 00 66 790	1 85 54 980	1 67 94 829
NPS Trust fees		17 97 471	16 18 546	14 14 211
Custodian fees (including GST)		2 651	10 56 413	9 42 047
Depository and settlement charges (including GST)		2 70 689	2 30 284	1 81 282
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		16 61 80 345	15 10 81 997	12 53 79 372
Less: Amount recoverable on sale of units on account of CRA Charges		(16 61 80 345)	(15 10 81 997)	(12 53 79 372)
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	5	25
<b>Total Expenditure (B)</b>		<b>271 38 52 020</b>	<b>209 52 26 669</b>	<b>29 61 63 207</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>43 06 72 602</b>	<b>36 93 73 388</b>	<b>322 34 32 852</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		189 34 31 527	165 04 16 196	(148 90 49 156)
Less: Amount transferred (to) / from General Reserve		(232 41 04 129)	(201 97 89 584)	(173 43 83 696)
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

Significant Accounting Policies and Notes to Accounts

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	3716 14 94 260	3337 01 73 060	2976 22 01 110
Add :Units issued during the year	484 47 38 712	460 30 05 452	427 96 29 450
Less: Units redeemed during the year	(86 79 21 871)	(81 16 84 252)	(67 16 57 500)
<b>Outstanding at the end of the year</b>	<b>4113 83 11 101</b>	<b>3716 14 94 260</b>	<b>3337 01 73 060</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	371 61 49 426	333 70 17 306	297 62 20 111
Add :Units issued during the year	48 44 73 871	46 03 00 546	42 79 62 945
Less: Units redeemed during the year	(8 67 92 187)	(8 11 68 426)	(6 71 65 750)
<b>Outstanding units at the end of the year</b>	<b>411 38 31 110</b>	<b>371 61 49 426</b>	<b>333 70 17 306</b>
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	1793 52 90 448	1474 26 84 456	1191 48 82 367
Add: Premium on Units issued	400 91 21 593	387 58 47 490	335 55 57 914
Less: Premium on Units redeemed	(71 75 30 999)	(68 32 41 498)	(52 77 55 825)
Add: Transfer from General Reserve	-	-	-
Closing Balance	<b>2122 68 81 042</b>	<b>1793 52 90 448</b>	<b>1474 26 84 456</b>
<b>General Reserve</b>			
Opening Balance	1041 53 96 026	839 56 06 442	666 12 22 746
Add: Transfer from Revenue Account	232 41 04 129	201 97 89 584	173 43 83 696
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	<b>1273 95 00 155</b>	<b>1041 53 96 026</b>	<b>839 56 06 442</b>
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	328 24 72 043	493 28 88 239	344 38 39 083
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	(189 34 31 527)	(165 04 16 196)	148 90 49 156
Closing Balance	<b>138 90 40 516</b>	<b>328 24 72 043</b>	<b>493 28 88 239</b>
<b>Total</b>	<b>3535 54 21 713</b>	<b>3163 31 58 517</b>	<b>2807 11 79 137</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	36 76 822	40 92 968	87 99 848
Book Overdraft	-	-	-
Redemption Payable	1 36 14 919	6 43 82 679	2 21 46 135
TDS Payable	2 91 550	2 96 298	2 63 168
Contracts for purchase of investments	57 63 492	-	7 00 93 371
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>2 33 46 783</b>	<b>6 87 71 945</b>	<b>10 13 02 522</b>
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	36 76 822	40 92 968	87 99 848
Book Overdraft	-	-	-
Redemption Payable	1 36 14 919	6 43 82 679	2 21 46 135
TDS Payable	2 91 550	2 96 298	2 63 168
Contracts for purchase of investments	57 63 492	-	7 00 93 371
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>2 33 46 783</b>	<b>6 87 71 945</b>	<b>10 13 02 522</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS LIMITED SCHEME – ATAL PENSION YOJANA**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	1053 29 49 960	951 65 31 990	899 09 66 561
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	2092 87 42 305	1918 02 16 879	1874 44 95 354
Central and State Government Securities (including treasury bills)	3992 58 11 881	3585 14 28 781	3113 64 02 418
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	29 84 61 300	-	-
Others - Mutual Fund Units	342 44 73 280	308 50 51 838	152 77 65 809
Non Convertible Debentures classified as NPA	5 20 00 000	5 20 00 000	9 20 00 000
Less: Provision on Non performing investment	(5 20 00 000)	(5 20 00 000)	(9 20 00 000)
<b>Total</b>	<b>7511 04 38 726</b>	<b>6763 32 29 488</b>	<b>6039 96 30 142</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	16 00 001	-	16 00 000
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	93 80 316	93 80 316	93 80 316
Less: Provision for interest on Non-Performing Investment	( 93 80 316)	( 93 80 316)	( 93 80 316)
Outstanding and accrued income	139 46 60 780	121 91 36 147	110 50 28 902
Dividend Receivable	3 67 500	10 48 153	1 62 88 148
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	1 00 12 590	1 00 10 934	2 01 07 527
Redemption receivable on Non performing Investment	4 00 00 000	4 00 00 000	-
Less: Provision for Non Performing Investment	(4 00 00 000)	(4 00 00 000)	-
<b>Total</b>	<b>140 66 40 871</b>	<b>123 01 95 234</b>	<b>114 30 24 577</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Limited Scheme- Atal Pension Yojana

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

#### **B. Scheme particulars**

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 4<sup>th</sup> June, 2015
3. **Investment pattern to be followed as per PFRDA Regulations:**

<b>Sr. No.</b>	<b>Investment Pattern</b>	<b>% of amount to be invested</b>
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

- 1. Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
- 2. Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
- 3. Covid 19 Uncertainties:**  
The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
- 4. Investments:**

  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date

except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

- i) **All Instruments/Securities with residual maturity of more than 30 days :**
  - a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
  - b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
  - c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.
- ii) **All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.
- iii) Only Callable Bonds (single/multiple call options), which are callable by the issuer, are valued at lowest value on each call option date.
- iv) Only Puttable Bonds (single/multiple put options), which are puttable by the investor, are valued at highest value on each put option date.



- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

**i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

**ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

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

**7. Non Performing Investments:**

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

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

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

On classification of the instrument as NPA no further interest is accrued on the investment and a provision for all interest accrued is made.

**Re-schedulement of NPA:**

In case any issuer of debt security defaults in the payment of interest and installment of principal, if any, and the pension fund has accepted re-schedulement of NPA, it may be re-classified as 'performing asset' if the next two coupons/ installments of principal, if applicable, is regularly serviced as re-scheduled.

Written-back of provisioning of interest: Upon reclassification of assets as 'performing asset'

i) In case an issuer has fully cleared all the arrears of interest, the interest provisions can be written back in full.

Written-back of provisioning of principal: The provision made for the principal can be written back in the following manner:-

- i) 100% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter, where the provision of principal was made due to the interest defaults only.
- ii) 50% of the asset provided for in the books will be written back at the end of the 2nd calendar quarter and 25% after every subsequent quarter, where both principal and interest were in default earlier.

Further, PFRDA has specifically issued guideline for valuation of IL&FS bonds subsequent to down gradation of security to 'D' rating and accrual of daily interest vide their letter no. 1/16/2018-NPST/11514 dated 6th August, 2019.

**8. Income Recognition:**

- a. Dividend income is accrued on the "ex-dividend" date.
- b. Interest on interest - bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
- c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
- d. Interest on Fixed Deposits is accounted on accrual basis.
- e. Profit /Loss of sale of Investment
  1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
  2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.

**9. Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.

**10. Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

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

**E. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.0102% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ 2,00,66,790. (Previous Period ₹ 1,85,54,980).

**F. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ 17,97,471	₹ 16,18,546

**G. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

**₹ in Crores**

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
2,993.10	41.72	1,983.03	27.64	2,598.07	40.00	1,626.89	25.05

H. The aggregate value of non-traded investments (other than Government Securities) where investments have been valued “in good faith” exceed 5% of the NAV as at 30th September, 2022 is ₹ 1,297.42 Crores. (Previous Period ₹ 858.27 Crores).

**I. Net Asset Value:**

Current Period		Previous Period	
As on 30 <sup>th</sup> September, 2022		As on 31 <sup>st</sup> March, 2022	
₹ 18.5942		₹ 18.5123	

J. **Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme’s average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
314.45	4.38	271.39	3.78	246.46	3.79	209.52	3.23

**K. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**L. Income Taxes:**

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

**M. Non-Performing Assets:**

As per PFRDA (Identification, Income Recognition and Provisioning of NPA) Guidance Note 2013, a debt security (‘asset’) are classified as ‘Non-Performing Asset’ (NPA) if the interest and/or installment of principal have not been received or remained outstanding for one quarter, from the day such income and/or installment principal was due. The provision for NPA made upto 30<sup>th</sup> September, 2022 is as under:

₹ in Crores

Particular	As on	
	30th September, 2022****	31st March, 2022****
Book Value	9.20	9.20
Provision for NPA	9.20	9.20
Carrying Cost	-	-
Market Value***	-	-
% of NPA (Gross) to AUM	0.12	0.13

\*\*\* Investment is not traded, hence market value is not ascertainable.

\*\*\*\* As per board of director direction, 100% provisions has been made on IL&FS Limited and IL&FS Financial Services Limited (Refer Annexure B).

- N.** Contingent liability as on 30<sup>th</sup> September, 2022 is ₹ 1,04,39,321 towards uncalled amount of ₹ 401.25 per shares on 26,017 Partly Paid shares of Bharti Airtel Limited. (Previous Period ₹ 1,04,39,321).
- O.** Details of Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest as on 30<sup>th</sup> September, 2022 is ₹ NIL. (Previous Period ₹ Nil).
- P.** As per PFRDA letter no. PFRDA/16/3/29/0118/2017-REG-PF-Part(1) dated 16th July, 2020, 'Govt. of India - Fully Serviced Bonds' are classified as Corporate Debt prior to 16th July, 2020 and fresh investments made post 16th July, 2020 are treated as Government Securities and Related Investments.

- Q. Investment in associates and group companies:** The Scheme has made following investment in the Associate and Group companies of the PFM:

₹ in Crores

Name of Scheme	Current Period		Previous Period	
	Purchase	Outstanding	Purchase	Outstanding
UTI Asset Management Company Limited	₹ 1,899.68	₹ 342.45	₹ 1,725.98	₹ 308.51

- R. Portfolio:** Industry wise classification where industry exposure % to total exposure in investment category  $\geq 5\%$  as on 30<sup>th</sup> September, 2022 is given in Annexure A.
- S.** Figures have been rounded off to the nearest rupee. Previous period figures have been regrouped and rearranged, wherever necessary.

**ANNEXURE A**

**Industry wise classification where industry exposure % to total exposure in investment category is >= 5%**

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>EQUITY SHARES</b>				
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
ICICI BANK LTD.	10,38,398	89,50,99,076	1.17	8.50
HDFC BANK LTD.	4,51,098	64,11,68,142	0.84	6.09
STATE BANK OF INDIA	8,50,323	45,11,81,384	0.59	4.28
AXIS BANK LTD.	5,09,650	37,36,75,380	0.49	3.55
KOTAK MAHINDRA BANK LTD.	1,57,341	28,62,34,747	0.37	2.72
INDUSIND BANK LTD.	1,01,911	12,07,84,917	0.16	1.15
BANK OF BARODA	1,50,182	1,98,84,097	0.03	0.19
YES BANK	93,913	14,69,738	0.00	0.01
IDFC BANK LIMITED	14,780	7,36,783	0.00	0.01
		<b>2,79,02,34,264</b>	<b>3.65</b>	<b>26.50</b>
<b>WRITING , MODIFYING, TESTING OF COMPUTER PROGRAM TO MEET THE NEEDS OF A PARTICULAR CLIENT EXCLUDING WEB-PAGE DESIGNING</b>				
INFOSYS LTD.	4,86,160	68,71,62,852	0.90	6.52
HCL TECHNOLOGIES LIMITED	1,01,352	9,44,95,537	0.12	0.90
WIPRO LTD.	1,69,000	6,66,28,250	0.09	0.63
ORACLE FINANCIAL SERVICES SOFTWARE LIMITED	4,800	1,43,16,000	0.02	0.14
		<b>86,26,02,639</b>	<b>1.13</b>	<b>8.19</b>
<b>MANUFACTURE OF OTHER PETROLEUM N.E.C.</b>				
RELIANCE INDUSTRIES LTD.	3,13,202	74,47,16,056	0.97	7.07
		<b>74,47,16,056</b>	<b>0.97</b>	<b>7.07</b>
<b>MANUFACTURE OF MEDICINAL SUBSTANCES USED IN THE MANUFACTURE OF PHARMACEUTICALS: ANTIBIOTICS, ENDOCRINE PRODUCTS, BASIC VITAMINS; OPIUM DERIVATIVES; SULPHA DRUGS; SERUMS AND PLASMAS; SALICYLIC ACID, ITS SALTS AND ESTERS; GLYCOSIDES AND VEGETABLE ALKAL</b>				
SUN PHARMACEUTICAL INDUSTRIES LTD.	1,97,685	18,75,33,875	0.25	1.78
CIPLA LTD.	1,66,937	18,61,26,408	0.24	1.77
DIVIS LABORATORIES LTD.	26,049	9,65,16,755	0.13	0.92
LUPIN LTD.	1,11,179	7,55,85,043	0.10	0.72
GLAND PHARMA LIMITED	14,650	3,06,60,253	0.04	0.29
		<b>57,64,22,334</b>	<b>0.76</b>	<b>5.48</b>

Industry and Company Particulars	Quantity	Market Value (₹)	% to Net Asset	% to investment category
<b>DEBENTURES &amp; BONDS</b>				
<b>OTHER CREDIT GRANTING</b>				
INDIAN RAILWAY FINANCE CORPORATION LTD.	1,72,10,000	1,70,72,15,141	2.23	8.02
HOUSING AND URBAN DEVELOPMENT CORPORATION	78,80,000	81,74,13,183	1.07	3.84
EXPORT IMPORT BANK OF INDIA	61,70,000	62,36,85,220	0.82	2.93
RURAL ELECTRIFICATION CORPORATION LIMITED	55,10,000	54,32,73,907	0.71	2.55
POWER FINANCE CORPORATION LTD.	31,90,000	32,63,80,039	0.43	1.53
BAJAJ FINANCE LIMITED	30,00,000	29,34,67,100	0.38	1.38
CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITE	19,50,000	18,97,05,100	0.25	0.89
HDB FINANCIAL SERVICES LTD.	14,20,000	14,75,03,878	0.19	0.69
		<b>4,64,86,43,568</b>	<b>6.08</b>	<b>21.83</b>
<b>MONETARY INTERMEDIATION OF COMMERCIAL BANKS, SAVING BANKS. POSTAL SAVINGS BANK AND DISCOUNT HOUSES</b>				
AXIS BANK LTD.	1,54,20,000	1,55,38,25,667	2.03	7.30
ICICI BANK LTD.	1,51,60,000	1,44,89,11,966	1.89	6.81
STATE BANK OF INDIA	50,00,000	48,96,88,100	0.64	2.30
BANK OF BARODA	40,00,000	39,76,16,100	0.52	1.87
HDFC BANK LTD.	19,30,000	19,65,96,615	0.26	0.92
IDFC BANK LIMITED	3,20,000	3,21,95,495	0.04	0.15
YES BANK	2,00,000	1,78,09,580	0.02	0.08
		<b>4,13,66,43,523</b>	<b>5.40</b>	<b>19.43</b>
<b>ACTIVITIES OF SPECIALIZED INSTITUTIONS GRANTING CREDIT FOR HOUSE PURCHASES THAT ALSO TAKE DEPOSITS</b>				
LIC HOUSING FINANCE LTD.	1,58,60,000	1,58,47,16,964	2.07	7.45
HOUSING DEVELOPMENT FINANCE CORPORATION LTD.	1,53,30,000	1,50,61,31,976	1.97	7.08
		<b>3,09,08,48,940</b>	<b>4.04</b>	<b>14.53</b>
<b>OTHER MONETARY INTERMEDIATION SERVICES N.E.C.</b>				
NATIONAL BANK FOR AGRICULTURE & RURAL DEVELOPMENT	1,74,90,000	1,72,50,64,244	2.26	8.11
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	75,00,000	74,39,00,500	0.97	3.50
		<b>2,46,89,64,744</b>	<b>3.23</b>	<b>11.61</b>
<b>ELECTRIC POWER GENERATION BY COAL BASED THERMAL POWER PLANTS</b>				
NATIONAL THERMAL POWER CORPORATION LTD.	1,79,10,000	1,73,00,49,597	2.26	8.13
JAMNAGAR UTILITIES & POWER PRIVATE LIMITED	18,00,000	17,08,14,960	0.22	0.80
		<b>1,90,08,64,557</b>	<b>2.48</b>	<b>8.93</b>
<b>CONSTRUCTION AND MAINTENANCE OF MOTORWAYS, STREETS, ROADS, OTHER VEHICULAR AND PEDESTRIAN WAYS, HIGHWAYS, BRIDGES, TUNNELS AND SUBWAYS</b>				
NATIONAL HIGHWAYS AUTHORITY OF INDIA	1,31,90,000	1,29,99,12,752	1.70	6.11
		<b>1,29,99,12,752</b>	<b>1.70</b>	<b>6.11</b>



## 1) Details of Investments in IL&amp;FS Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	8.65% ILFS FIN. SER. LTD. 06/12/2021	4.00	06-Mar-19	4.00	4.00
2	8.51% ILFS FIN. SER. LTD. 11/09/2026	1.00	12-Dec-19	1.00	1.00
<b>TOTAL</b>		<b>5.00</b>		<b>5.00</b>	<b>5.00</b>

## 2) Details of Investments in Infrastructure Leasing &amp; Financial Services Ltd. is classified as NPA as on 30-Sept-2022:

Serial No.	Security Name	Book Value of investments (Rs.in crore)	Date of classification as NPA	Provision Made as on 30-Sept-2022 (Rs.in crore)	Provision Made as on 31-March-2022 (Rs.in crore)
1	8.30% ILFS 24/01/2023	4.00	24-Apr-19	4.00	4.00
2	8.69% ILFS 25/08/2025	0.20	26-Nov-19	0.20	0.20
<b>TOTAL</b>		<b>4.20</b>		<b>4.20</b>	<b>4.20</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Particulars	Schedules	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Liabilities</b>				
Unit Capital	1	412	-	-
Reserves and Surplus	2	-	-	-
Current Liabilities and Provisions	3	-	-	-
<b>Total</b>		<b>412</b>	-	-
<b>Assets</b>				
Investments	4	-	-	-
Deposits	5	-	-	-
Other Current Assets	6	412	-	-
<b>Total</b>		<b>412</b>	-	-
(a) Net assets as per Balance Sheets		412	-	-
(b) Number of units outstanding		41	-	-
Significant Accounting Policies and Notes to Accounts	7			

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**CONDENSED INTERIM REVENUE ACCOUNT FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022**

Particulars	Schedules	Half Year ended Sept 30, 2022 ₹	Half Year ended March 31, 2022 ₹	Half Year ended Sept 30, 2021 ₹
<b>Income</b>				
Dividend		-	-	-
Interest		-	-	-
Profit on sale/redemption of investments		-	-	-
Profit on inter-scheme transfer/sale of investments		-	-	-
Unrealized gain on appreciation in investments		-	-	-
Other income		-	-	-
- Miscellaneous Income		-	-	-
<b>Total Income (A)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses and Losses</b>				
Unrealized losses in value of investments		-	-	-
Loss on sale/redemption of investments		-	-	-
Loss on inter-scheme transfer/sale of investments		-	-	-
Management fees (including GST)		-	-	-
NPS Trust fees		-	-	-
Custodian fees (including GST)		-	-	-
Depository and settlement charges (including GST)		-	-	-
Stamp Duty on Bond/Mutual Fund		-	-	-
CRA Fees		-	-	-
Less: Amount recoverable on sale of units on account of CRA Charges		-	-	-
Provision for Non-Performing Assets		-	-	-
Other Expenses		-	-	-
<b>Total Expenditure (B)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(Deficit) for the year (A-B)</b>		<b>-</b>	<b>-</b>	<b>-</b>
Less: Amount transferred (to) / from Unrealised Appreciation Reserve		-	-	-
Less: Amount transferred (to) / from General Reserve		-	-	-
<b>Amount carried forward to Balance Sheet</b>		<b>-</b>	<b>-</b>	<b>-</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 1	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Unit Capital</b>			
Outstanding at the beginning of the year	-	-	-
Add :Units issued during the year	412	-	-
Less: Units redeemed during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>412</b>	<b>-</b>	<b>-</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>			
Outstanding units at the beginning of the year	-	-	-
Add :Units issued during the year	41	-	-
Less: Units redeemed during the year	-	-	-
<b>Outstanding units at the end of the year</b>	<b>41</b>	<b>-</b>	<b>-</b>
<b>Schedule 2</b>			
	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Reserves and Surplus</b>			
<b>Unit Premium Reserve</b>			
Opening Balance	-	-	-
Add: Premium on Units issued	-	-	-
Less: Premium on Units redeemed	-	-	-
Add: Transfer from General Reserve	-	-	-
Closing Balance	-	-	-
<b>General Reserve</b>			
Opening Balance	-	-	-
Add: Transfer from Revenue Account	-	-	-
Less: Transfer to Unit Premium Reserve	-	-	-
Closing Balance	-	-	-
<b>Unrealised Appreciation Reserve</b>			
Opening Balance	-	-	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-	-
Add/(Less): Transfer from/(to) Revenue Account	-	-	-
Closing Balance	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 3	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Current Liabilities and Provisions</b>			
<b>Current Liabilities</b>			
Sundry Creditors for expenses	-	-	-
Book Overdraft	-	-	-
Redemption Payable	-	-	-
TDS Payable	-	-	-
Contracts for purchase of investments	-	-	-
Amount Payable to Other Schemes	-	-	-
Provision for Interest overdue	-	-	-
Provision on upgraded assets	-	-	-
Interest received in Advance	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST - A/C UTI RETIREMENT SOLUTIONS PENSION FUND SCHEME - CORPORATE CG**  
**CONDENSED INTERIM NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT SEPTEMBER 30, 2022**

Schedule 4	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Investments (Long Term and Short Term)</b>			
Equity Shares	-	-	-
Preference Shares	-	-	-
Debentures and Bonds Listed/Awaiting Listing	-	-	-
Central and State Government Securities (including treasury bills)	-	-	-
Commercial Paper	-	-	-
AIF's (Category I and Category II Only)/REITs/INVITs/Asset Backed Securities/ Commercial mortgage based Securities or Residential mortgage based securities	-	-	-
Basel III Tier I bonds	-	-	-
Others - Mutual Fund Units	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 5	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Deposits</b>			
Deposits with Scheduled Banks	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

Schedule 6	As at Sept 30, 2022 ₹	As at March 31, 2022 ₹	As at Sept 30, 2021 ₹
<b>Other Current Assets</b>			
Balances with bank in a current account	412	-	-
Contracts for sale of investments	-	-	-
Interest Receivable on Non-Performing Investments	-	-	-
Less: Provision for interest on Non-Performing Investment	-	-	-
Outstanding and accrued income	-	-	-
Dividend Receivable	-	-	-
Brokerage receivable from PFM	-	-	-
Application money pending allotment	-	-	-
Sundry Debtors	-	-	-
Redemption receivable on Non performing Investment	-	-	-
Less: Provision for Non Performing Investment	-	-	-
<b>Total</b>	<b>412</b>	<b>-</b>	<b>-</b>

## NATIONAL PENSION SYSTEM TRUST

### NPS Trust - A/C UTI Retirement Solutions Pension Fund Scheme - Corporate CG

#### SCHEDULE 7: SUMMARY OF SELECTED SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATORY INFORMATION FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

##### A. Background

1. UTI Retirement Solutions Limited is appointed as a Pension Fund Manager (PFM) by the National Pension System Trust (NPS Trust) for the management of Pension Fund and for this purpose it has entered into an Investment Management Agreement (IMA) with the NPS Trust. As per unbundled architecture of the NPS Trust, the main responsibility of the PFM is to manage funds in accordance with the laid down guidelines and declare the Net Asset Value (NAV). As per the architecture, the Protean eGov Technologies Limited (formerly NSDL e-Governance Infrastructure Limited), Kfin Technologies Limited and Computer Age Management Services Limited, being the Central Recordkeeping Agencies (CRA) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides / receives funds on consolidated basis in respect of such allotment / redemption. Unit capital is accounted for on the basis of data received from CRA and transfer of funds through Trustee Bank. Valuation is provided by CRISIL Limited and custodian is Deutsche Bank AG.
2. CRA's responsibilities includes:
  - a. Recordkeeping, Administration and Customer service functions for NPS subscribers,
  - b. Providing Unique Permanent Retirement Account Number (PRAN) to each subscriber,
  - c. Maintaining database of all PRANs issued and recording transactions relating to each subscriber's PRAN,
  - d. PRAN Transaction Statement,
  - e. An operational interface between PFRDA and other NPS intermediaries such as Pension Funds, Annuity Service Providers, Trustee Bank etc.
  - f. CRA is responsible to resolve all queries pertaining to investors. CRA informs about the subscription and redemption to Pension Fund Managers (PFM) and also instructs Trustee Bank to credit PFM's pool account maintained with them.

3. NPS Trust has designated Deutsche Bank AG as the custodian, who is responsible for safe custody of securities and settlement of trades. Deutsche Bank AG also informs/updates about the Corporate Actions.
4. CRISIL Limited has been designated as valuation service provider, which is responsible for providing rates for the valuation of securities, which is used by PFM for valuation of investments. CRISIL Limited also updates the rating of Bonds.
5. The Trustee bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM records receipt of funds in the respective schemes only.
6. CRA fees, as per the unbundled architecture of the NPS Trust are charged to the scheme as claimed by CRA. PFM receives the scheme - wise subscription funds after deduction of CRA fees.

## B. Scheme particulars

1. **Investment objective:** The investment objective of the scheme is to optimise returns on investments.
2. **Commencement:** The Scheme commenced its operations on 5<sup>th</sup> November, 2012.

### 3. Investment pattern to be followed as per the PFRDA Regulations:

Sr. No.	Investment Pattern	% of amount to be invested
(i)	Government Securities	Upto 55
(ii)	Debt Securities	Upto 45
(iii)	Money Market instruments	Upto 10
(iv)	Equity Shares	Upto 15

4. Contributions to the Scheme by the investors are withdrawable in accordance with the Pension Fund Regulatory and Development Authority Exit and Withdrawals under National Pension System) Regulations, 2015.

## C. Significant Accounting Policies

1. **Basis of Accounting:** The financial statements have been prepared in compliance of the PFRDA (Pension Fund) Regulations 2015 and PFRDA (Preparation of Financial Statements and Auditor's Report of Schemes under National Pension System) Guidelines - 2012, Accounting Standards specified in Companies (Accounting Standards) Amendment Rules, 2016 under Section 133 of the Companies Act 2013 (the Act), read with Rule 7 of the amended Companies (Accounts) Rules, 2014 to the extent made applicable by the Authority's guidelines and generally accepted accounting principles. The Scheme maintains books of account on an accrual basis under the historical cost convention, as modified for investments, which are 'marked-to-market'.
2. **Use of Estimates:** The preparation of Financial Statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and are given effect to in the year in which those are crystallized.
3. **Covid 19 Uncertainties:**

The PFM has considered the possible impact that may arise from the pandemic relating to COVID-19 on the carrying amounts of investments of the Scheme. In developing the assumptions relating to the possible uncertainties in global economic conditions, the PFM, as at the date of approval of financial statements of the Scheme has used internal and external sources of information. The PFM has performed analysis on the assumptions used and based on current estimates expects the carrying amount of investments to be recovered.
4. **Investments:**
  - a. Investments are accounted on trade date.
  - b. In determining the holding cost of investments and the gains or loss on sale of investments, the "weighted average cost" method is followed.
  - c. Transactions for purchase or sale of Investments in Government securities, Non-Convertible Bonds / Debentures, Equity shares, Fixed Deposits and Mutual Funds units are recognized as of the trade date



except in case of subscriptions to Private/Public Offerings of debts which are recognized on allotment.

- d. Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.
- e. The company has policy of determining the post demerger cost of acquisition of the equity shares of demerged companies by apportioning pre demerger cost of acquisition in the ratio provided by the demerged company for Income Tax Purposes. In case the information of cost split allocation ratio is not made available by the demerged company on ex - date and if shares of only one company continue to be traded on demerger, the other security is valued at traded value on the day before the demerger less value of the traded security post demerger. If post demerger value of the share of demerged and traded company is equal or in excess of the value of the pre demerger share, then the non traded share is to be valued at zero.
- f. The cost of investments acquired or purchased includes applicable taxes but exclude brokerage and other transactional charges. However as per PFRDA letter dated 24th March' 21, brokerage upto 0.03% on equity shares has been capitalized w.e.f. 1st April' 21.
- g. Stamp duty expense was calculated on bonds @0.0001% and mutual funds @ 0.005% of the net acquisition amount. However, as per PFRDA letter dated March 24' 2021 the stamp duty charges has been treated as cost of investment, w.e.f. 1st April '21.
- h. Investments are reconciled with the custodian records on daily basis.
- i. As per Investment Management Agreement dated April, 18' 2012, transfer of securities from one scheme to another scheme are made at the prevailing market price on spot basis.

5. **Valuation of investments:** Investments are valued using the price determined in the following manner:

**Equity:**

- i. When a security is traded on National Stock Exchange (NSE) on a valuation day, the last quoted closing price at which it was traded on the NSE.
- ii. When on a valuation day, a security has not been traded on NSE, the value at which it is traded on BSE is used.

iii. **Right entitlement:**

- a. **Traded:** Right entitlement is valued at the closing market price on the valuation date.
- b. **Non-traded:** Right entitlement is valued at the difference of the Ex-right price and the offer price multiplied by the ratio of Right Entitlement.

**Debentures, corporate bonds, commercial papers and certificate of deposits:**

**Valuation of Debt Securities (other than government securities)**

Debt securities are valued at clean price, which means excluding accrued interest component of the security. If corporate bonds and debentures are quoted cum interest on the exchange, the valuation is done by excluding the accrued interest portion (i.e. from the last due date of interest till date) from the quoted price, since the interest is accrued and accounted separately on a daily basis.

**i) All Instruments/Securities with residual maturity of more than 30 days :**

- a. In respect of the Traded Securities, the traded price are taken subject to the fulfilment of the conditions practiced/adopted by the valuation agency after consultation with NPS Trust and PFs.
- b. In respect of the non traded Securities, the securities are valued on the basis of scrip level prices released by the valuation agency in consultation with NPS Trust and PFs.
- c. In case of new security purchased for which price is not available, such security valued on the basis of scrip level price (for coupon bearing securities) / scrip level yield (for discounted securities) at which the securities are purchased.

**ii) All Instruments/Securities with residual maturity of upto 30 days:** The securities are valued by amortisation on a straight-line basis to maturity from last valuation price as long as it is within the prescribed range, (presently  $\pm 0.025\%$ , i.e.  $\pm 2.5$  basis points) of the reference price provided by the valuation agency.

**iii) Only Callable Bonds (single/multiple call options),** which are callable by the issuer, are valued at lowest value on each call option date.

**iv) Only Puttable Bonds (single/multiple put options),** which are puttable by the investor, are valued at highest value on each put option date.

- v) Securities with both Put and Call option (single/multiple) on the same day is deemed to mature on the Put/Call option day and is valued accordingly.
- vi) Partly paid bonds are valued at cost till it is fully paid.
- vii) Perpetual bond with single/multiple call options are valued at lowest price on each option date.

**Central and State Government Securities:**

**i) Securities with residual maturity of more than 30 days:** The security are valued on the basis of scrip level prices released by the valuation agency on the same basis as debt securities maturing greater than 30 days.

**ii) Securities with residual maturity of upto 30 days :** The security are valued through amortization on the same basis as debt securities maturing upto 30 days.

**Valuation of Bank Fixed Deposits:** Bank fixed deposits are valued at face value and amortised on a straight line basis.

**Mutual fund units:** Mutual fund units are valued at the latest available/previous day's NAV from Association of Mutual Funds in India (AMFI) website.

**Valuation policy for securities below investment grade (securities which were of investment grade at the time of purchase but which have fallen below the investment grade):**

In the cases of securities below BBB -, the same are valued as below:

All non-investment grade debt securities except with default rating (other than Government securities) and securities where credit rating agencies have suspended the ratings but are performing assets as per PFRDA guidelines are valued at a discount of 25% of the face value.

All non-investment grade debt securities (other than Government securities) not covered above are valued at the indicative haircut matrix or price provided by the valuation agency. In case the security is traded where the haircut has been applied, lower of the haircut matrix based price and trade price are considered.

6. The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The aggregate net change in unrealized gain or loss between two balance sheet dates is recognized in the revenue account. Later, the change in unrealized gain (net) in the value of investment is transferred from/to unrealized appreciation reserve through appropriation account.
  
7. **Income Recognition:**
  - a. Dividend income is accrued on the "ex-dividend" date.
  - b. Interest on interest bearing and other fixed income investments is recognised on a day to day basis as it is earned. On purchase of such investments, interest paid for the period from the last interest due date up to the date of purchase is not treated as a cost of purchase but is treated as interest recoverable. Similarly, interest received at the time of sale for the period from the last interest due date up to the date of sale is not treated as part of sale value but is treated as interest recovered.
  - c. Other income of miscellaneous nature is accounted for when there is certainty of collection.
  - d. Interest on Fixed Deposits is accounted on accrual basis.
  - e. Profit /Loss of sale of Investment
    1. Profit / loss on Sale of equity shares / mutual fund units are the difference between the Sale consideration and the weighted average book cost.
    2. Realised gain / loss on debt securities is the difference between the Sale consideration and the weighted average amortised cost as on the date of Sale.
  
8. **Computation of Net Asset Value (NAV):** The NAV of the units is determined by dividing the net assets, including investments recognised and valued as per the accounting policies, by the number of outstanding units on the valuation date.
  
9. **Unit Premium Reserve:** Difference between the issue/redemption price and face value of units is credited/debited to Unit Premium Reserve after each subscription / redemption.

- D. Investment Management Fees:** In terms of the IMA, the scheme has accrued management fees payable to PFM as a percentage of scheme's average daily net assets.

Management Fees have been revised by w.e.f. April 01, 2021 by PFRDA vide its letter Ref No. File No. PFRDA/16/3/02/ 0001/2020-REG-PF dated 30th March, 2021 from 0.01% of Average AUM to New Slab rate of the daily closing AUM as mentioned below :

Slab of AUM	Maximum Investment Management Fees Permissible Under PFRDA Guideline
Up to 10,000 Crores	0.07%
10,001 - 50,000 Crores	0.06%
50,001 - 1,50,000 Crores	0.05%
Above 1,50,000 Crores	0.03%

The management fees including GST during the Current Period is ₹ NIL. (Previous Period ₹ NIL).

- E. NPS Trust Charges:** The Scheme has accrued NPS Trust Charges payable to NPS Trust as a percentage of Scheme's Average Daily Net Assets. The basis of NPS Trust Charges and aggregate NPS Trust Fees are as under:

NPS Trust Charges % p.a.		NPS Trust Charges	
Current Period	Previous Period	Current Period	Previous Period
0.005%	0.005%	₹ NIL	₹ NIL

- F. Purchase/Sale of Investments:** The aggregate value of purchase and sales of investments during the period and expressed as a percentage of average daily net asset are as under:

₹ in Crores

Current Period				Previous Period			
Purchase	%	Sales	%	Purchase	%	Sales	%
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

- G.** The aggregate value of non-traded investments (other than government securities) where investments have been valued "in good faith" exceed 5% of the NAV as at 30th September, 2022 is ₹ NIL. (Previous Period ₹ NIL).

**H. Net Asset Value:**

Current Period	Previous Period
As on 30 <sup>th</sup> September, 2022	As on 31 <sup>st</sup> March, 2022
₹ 10.0000	₹ 10.0000

**I. Income and Expenditure:** The total income and expenditure for the period as a percentage of the scheme's average net assets are as under:

Current Period				Previous Period			
Income		Expenditure		Income		Expenditure	
₹ in Crores	%	₹ in Crores	%	₹ in Crores	%	₹ in Crores	%
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**J. Taxes:**

All taxes which are leviable and actually paid are charged to the NAV of the Fund and are borne by the Subscriber. Any subsequent refund on this account, if any, is added to the scheme/fund as income.

**K. Income Taxes:**

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

**L. Other disclosures:**

Particulars	Current Period	Previous Period
Contingent liabilities	Nil	Nil
Non performing investments- Carrying value	Nil	Nil
Non performing investments- Market value	Nil	Nil
Brokerage, custodial fees and other charges to entities where PFM or its subsidiaries or its major shareholders have substantial interest	Nil	Nil

**M. Investment in associates and group companies:** ₹ Nil (Previous Period: ₹ Nil)