

# MAX LIFE PENSION FUND MANAGEMENT LIMITED

- SCHEME E TIER I
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**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme E Tier I

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER I  
BALANCE SHEET AS AT SEPTEMBER 28, 2023

				(In Rs.)
Particulars	Schedule	As at September 28, 2023	As at September 30, 2022	
<b>Liabilities</b>				
<b>Unitholder's Fund</b>				
Unit Capital	1	1,14,91,38,762	5,32,42,986	
Reserves and Surplus	2	9,83,36,279	(35,80,089)	
Current Liabilities and Provisions	3	7,29,859	2,75,02,950	
<b>Total</b>		<b>1,24,82,04,900</b>	<b>7,71,65,847</b>	
<b>Assets</b>				
Investments	4	1,24,49,03,623	4,53,15,910	
Other Current Assets	5	33,01,277	3,18,49,937	
<b>Total</b>		<b>1,24,82,04,900</b>	<b>7,71,65,847</b>	
(a) Net assets as per Balance Sheets (4+5-3)		1,24,74,75,041	4,96,62,897	
(b) Number of units outstanding		11,49,13,876	53,24,299	
(c) NAV per unit (a)/(b)		10.8557	9.3276	
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>			

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER I  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Dividend	76,42,576	-
Profit on sale/redemption of investments	3,22,06,116	401
Unrealised gain on appreciation in investments	6,79,70,760	1,17,611
Other Income	-	-
<b>Total Income (A)</b>	<b>10,78,19,453</b>	<b>1,18,012</b>
<b>Expenses and losses</b>		
Unrealised losses in value of investments	-	-
Loss on sale/redemption of investments	37,26,012	-
Management fees (including GST)	4,47,001	141.41
NPS Trust Fees	21,045	-
Depository and settlement charges	1,792	-
CRA fees	32,088	4,122
Less: Amount recoverable by sale of units on account of CRA	(32,088)	(4,122)
<b>Total Expenditure (B)</b>	<b>41,95,851</b>	<b>141</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>10,36,23,602</b>	<b>1,17,871</b>
Add: Amount transferred from Unrealised appreciation account	(6,79,70,760)	(1,17,611)
Less: Amount transferred to General Reserve	3,56,52,842	260
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

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Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER I**

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	45,77,85,022	-
Add: Units issued during the period	80,11,01,788	5,32,94,184
Less: Units redeemed during the period	10,97,48,048	51,198
<b>Outstanding at the end of the period (₹)</b>	<b>1,14,91,38,762</b>	<b>5,32,42,986</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	4,57,78,502	-
Add: Units issued during the period	8,01,10,179	53,29,418
Less: Units redeemed during the period	1,09,74,805	5,120
<b>Outstanding Units at the end of the period</b>	<b>11,49,13,876</b>	<b>53,24,299</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	(3,09,36,614)	-
Add/(Less): Premium/(Discount) on Units issued	2,95,93,184	(37,01,403)
Add/(Less): Discount/(Premium) on Units redeemed	(59,84,375)	3,442
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>(73,27,805)</b>	<b>(36,97,960)</b>
<b>General Reserve</b>		
Opening Balance	2,72,796	-
Add: Transfer from Revenue Account	3,56,52,842	260
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>3,59,25,638</b>	<b>260</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	17,67,686	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	6,79,70,760	1,17,611
<b>Closing Balance</b>	<b>6,97,38,446</b>	<b>1,17,611</b>
<b>Total</b>	<b>9,83,36,279</b>	<b>(35,80,089)</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	1,03,502	8,375
Redemption Payable	6,26,357	47,752
TDS Payable	-	-
Contract for Purchase of Investments	-	2,74,46,823
<b>Total</b>	<b>7,29,859</b>	<b>2,75,02,951</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	1,20,60,41,133	4,53,14,772
Others - Mutual Fund Units	3,88,62,490	1,139
<b>Total</b>	<b>1,24,49,03,623</b>	<b>4,53,15,910</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	15,15,156	3,18,49,937
Dividend Receivable	3,97,738	-
<b>Total</b>	<b>33,01,277</b>	<b>3,18,49,937</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME E TIER I

#### Schedule 6

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

##### 1.1 Background

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreement (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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

The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and

Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### **1.4 Accounting of 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.

#### **1.5 Investments**

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

As per directive received from NPS Trust, the valuation of investments is carried out by CRISIL Limited w.e.f. April 01, 2022. The Investment valuation methodology adopted by CRISIL Limited is as follows:

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

##### **Securities traded at a stock exchange:**

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



**Securities not traded at a stock exchange:**

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

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

**Valuation of Right Shares:**

Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price.

Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.

**Valuation of Money Market Investment and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

**1.6 Income Recognition**

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

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

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

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

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

**1.7 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.

#### 1.8 Income Taxes

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

#### 1.9 Net unrealized gain or loss in value of investments

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

#### 1.10 Unit Premium Reserve

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

#### 1.11 Units reconciliation

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

#### 1.12 Investment management fee

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

Slab of AUM	Investment Management Fees
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

#### 1.13 Trustee fees

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

#### **1.14 Other Expenses**

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

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER I

Notes to Accounts

2.1 Contingent Liabilities	As at September 28, 2023	As at September 30, 2022
Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

2.2 Investments

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

2.3 Details of transaction with sponsors and its related parties

Nature of Relationship	Name of Related Party
Pension Fund Manager	Max Life Pension Fund Management Limited
Sponsor Company	Max Life Insurance Company Limited
Associates and Group Companies	Max Financial Services Limited Max Life Insurance Company Limited
Holding Company	Max Financial Services Limited Max Life Insurance Company Limited
Key Managerial Personnel	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ending 30th September, 2023

Nature of Transactions	Period ended September 28, 2023	Period ended September 30, 2022
Investment Management Fees (Including GST)	4,47,001	141

Balance with Max Life Pension Fund Management Limited are as follows

Nature of Transactions	As at September 28, 2023	As at September 30, 2022
Investment Management Fees Payable (Net of TDS)	82,395	120

2.4 Provisions

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

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

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	87,37,71,754	54,51,756
Purchase of Investments	2,23,15,95,820	4,71,72,601
% to Average Net Assets Value	255%	865%
Sale of Investments	1,51,04,75,169	19,74,703
% to Average Net Assets Value	173%	36%

2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)\*

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	87,37,71,754	54,51,756
Purchase of Investments	1,01,92,23,605	4,51,97,161
% to Average Net Assets Value	117%	829%
Sale of Investments	32,43,34,169	-
% to Average Net Assets Value	37%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

2.7 Investments falling under each major industry group

Industry Classification	As at September 28, 2023	
	Market Value	% of Industry Classification
Monetary Intermediation of Commercial Banks, Saving Banks, Postal Savings Bank and Discount Houses	29,21,85,385	23.42%
Manufacture of Other Petroleum n.e.c.	8,79,53,556	7.05%
Computer Consultancy and Computer Facilities Management Activities	5,54,14,097	4.44%
Other Credit Granting	5,25,83,952	4.22%
Other	71,79,04,143	57.55%
Mutual Funds	3,88,62,490	3.12%
Net Current Assets	25,71,418	0.21%
<b>Net Asset Value</b>	<b>1,24,74,75,041</b>	<b>100.00%</b>

Industry Classification	As at September 30, 2022	
	Market Value	% of Industry Classification
Monetary Intermediation of Commercial Banks, Saving Banks, Postal Savings Bank and Discount Houses	1,02,78,132	20.70%
Manufacture of Other Petroleum n.e.c.	45,17,725	9.10%
Writing, Modifying, Testing of Computer Program to Meet the Needs of a Particular Client excluding Web-Page Designing	31,03,956	6.25%
Activities of Specialized Institutions Granting Credit for House Purchases that also Take Deposits	26,76,668	5.39%
Other Credit Granting	23,46,504	4.72%
Other	2,23,91,787	45.09%
Mutual Funds	1,139	0.00%
Net Current Assets	43,46,986	8.75%
<b>Net Asset Value</b>	<b>4,96,62,897</b>	<b>100.00%</b>

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

#### 2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment

Security Name	Aging	As at	
		September 28, 2023	September 30, 2022
		NIL	NIL

#### 2.9 Prior Year Comparative

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER I**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	9.3688	10.0000
	High	11.2046	10.0000
	Low	9.3838	9.1851
	End	10.8557	9.3276
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	12,474.75	496.63
	Average AAuM	8,737.72	54.52
<b>3</b>	<b>Gross income as % of AAuM</b>	12.34%	2.16%
<b>4</b>	<b>Expense Ratio</b>		
	a Total Expense as % of AAuM (Scheme wise)	0.48%	0.00%
	b Management Fee as % of AAuM (Scheme Wise)	0.10%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAuM</b>	11.86%	2.16%
<b>6</b>	<b>Portfolio turnover ratio</b>	0.37	0.00
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	15.87%	NA
	Last (1Year) - Since launch of the scheme	16.38%	
	Benchmark (6 Months)	16.79%	NA
	Benchmark (1 Year)	15.24%	

\* Declared NAV; Returns calculated based on declared NAV

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAuM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAuM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.

**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme E Tier II

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER II  
BALANCE SHEET AS AT SEPTEMBER 30, 2023

Particulars	Schedule	(In Rs.)	
		As at September 28, 2023	As at September 30, 2022
<b>Liabilities</b>			
<b>Unitholder's Fund</b>			
Unit Capital	1	54,82,780	73,987
Reserves and Surplus	2	8,52,825	(1,223)
Current Liabilities and Provisions	3	3,915	3
<b>Total</b>		<b>63,39,520</b>	<b>72,767</b>
<b>Assets</b>			
Investments	4	61,69,871	72,504
Other Current Assets	5	1,69,648	263
<b>Total</b>		<b>63,39,520</b>	<b>72,767</b>
(a) Net assets as per Balance Sheets (4+5-3)		63,35,605	72,765
(b) Number of units outstanding		5,48,278	7,399
(c) NAV per unit (a)/(b)		11.5555	9.8349
<b>Significant accounting policies and notes to accounts</b>	6		

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023



NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER II  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Dividend	43,672	-
Profit on sale/redemption of investments	3,53,465	28
Unrealised gain on appreciation in investments	3,09,123	6
Other Income	-	-
<b>Total Income (A)</b>	<b>7,06,261</b>	<b>34</b>
<b>Expenses and losses</b>		
Unrealised losses in value of investments	-	836
Loss on sale/redemption of investments	31,563	-
Management fees (including GST)	2,471	2
NPS Trust Fees	116	-
Depository and settlement charges	822	-
CRA fees	1,492	103
Less: Amount recoverable by sale of units on account of CRA	(1,492)	(103)
<b>Total Expenditure (B)</b>	<b>34,973</b>	<b>839</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>6,71,288</b>	<b>(805)</b>
Add: Amount transferred from Unrealised appreciation account	(3,09,123)	831
Less: Amount transferred to General Reserve	3,62,165	26
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER II**

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	34,39,270	-
Add: Units issued during the period	54,44,119	74,132
Less: Units redeemed during the period	34,00,609	144
<b>Outstanding at the end of the period (₹)</b>	<b>54,82,780</b>	<b>73,987</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	3,43,927	-
Add: Units issued during the period	5,44,412	7,413
Less: Units redeemed during the period	3,40,061	14
<b>Outstanding Units at the end of the period</b>	<b>5,48,278</b>	<b>7,399</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	43,475	-
Add/(Less): Premium/(Discount) on Units issued	5,59,696	(418)
Add/(Less): Discount/(Premium) on Units redeemed	(3,54,176)	0
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>2,48,994</b>	<b>(418)</b>
<b>General Reserve</b>		
Opening Balance	(3,600)	-
Add: Transfer from Revenue Account	3,62,165	26
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>3,58,565</b>	<b>26</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	(63,856)	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	3,09,123	(831)
<b>Closing Balance</b>	<b>2,45,267</b>	<b>(831)</b>
<b>Total</b>	<b>8,52,825</b>	<b>(1,223)</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	696	2
TDS Payable	-	-
<b>Total</b>	<b>3,915</b>	<b>2</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Equity Shares	59,27,588	55,499
Others - Mutual Fund Units	2,42,283	17,006
<b>Total</b>	<b>61,69,871</b>	<b>72,504</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	8,761	263
Dividend Receivable	936	-
<b>Total</b>	<b>1,69,648</b>	<b>263</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME E TIER II

#### Schedule 6

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

##### 1.1 Background

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreements (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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

The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and

Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### **1.4 Accounting of 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.

#### **1.5 Investments**

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

As per directive received from NPS Trust, the valuation of investments is carried out by CRISIL Limited w.e.f. April 01, 2022. The Investment valuation methodology adopted by CRISIL Limited is as follows:

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

##### **Securities traded at a stock exchange:**

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

**Securities not traded at a stock exchange:**

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

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

**Valuation of Right Shares:**

Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price.

Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.

**Valuation of Money Market Investment and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

**1.6 Income Recognition**

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

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

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

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

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

**1.7 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.

#### 1.8 Income Taxes

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

#### 1.9 Net unrealized gain or loss in value of investments

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

#### 1.10 Unit Premium Reserve

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

#### 1.11 Units reconciliation

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

#### 1.12 Investment management fee

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

Slab of AUM	Investment Management Fees
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

#### 1.13 Trustee fees

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

#### 1.14 Other Expenses

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



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER II**

**Notes to Accounts**

2.1 Contingent Liabilities	As at September 28, 2023	As at September 30, 2022
Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

Nature of Relationship	Name of Related Party
<b>Pension Fund Manager</b>	Max Life Pension Fund Management Limited
<b>Sponsor Company</b>	Max Life Insurance Company Limited
<b>Associates and Group Companies</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Holding Company</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Key Managerial Personnel</b>	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ending 31st March, 2023

Nature of Transactions	Period ended September 28, 2023	Period ended September 30, 2022
Investment Management Fees (Including GST)	2,471.12	2

Balance with Max Life Pension Fund Management Limited are as follows

Nature of Transactions	As at September 28, 2023	As at September 30, 2022
Investment Management Fees Payable (Net of TDS)	366.53	2

**2.4 Provisions**

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

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

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	47,58,878	47,577
Purchase of Investments	1,48,78,379	1,84,620
% to Average Net Assets Value	313%	388%
Sale of Investments	1,27,50,719	1,11,313
% to Average Net Assets Value	268%	234%

**2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)\***

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	47,58,878	47,577
Purchase of Investments	61,41,379	56,335
% to Average Net Assets Value	129%	118%
Sale of Investments	41,40,319	-
% to Average Net Assets Value	87%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

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

Industry Classification	Market Value	As at September 28, 2023 % of Industry Classification
Monetary Intermediation of Commercial Banks, Saving Banks, Postal Savings Bank and Discount Houses	12,07,337	28.14%
Manufacture of Other Petroleum n.e.c.	3,63,457	8.47%
Activities of Specialized Institutions Granting Credit for House Purchases that also Take Deposits	1,19,838	2.79%
Writing , Modifying, Testing of Computer Program to Meet the Needs of a Particular Client excluding Web-Page Designing	1,43,545	3.35%
Other	23,42,789	54.61%
Mutual Fund Units	1,06,606	2.48%
Net Current Assets	6,625	0.15%
<b>Net Asset Value</b>	<b>42,90,196</b>	<b>100.00%</b>

Industry Classification	As at September 30, 2022	
	Market Value	% of Industry Classification
Monetary Intermediation of Commercial Banks, Saving Banks, Postal Savings Bank and Discount Houses	14,51,681	22.91%
Manufacture of Other Petroleum n.e.c.	5,29,841	8.36%
Computer Consultancy and Computer Facilities Management Activities	2,89,800	4.57%
Other Credit Granting	2,07,561	3.28%
Other	34,48,705	54.43%
Mutual Fund Units	2,42,283	3.82%
Net Current Assets	1,65,734	2.62%
<b>Net Asset Value</b>	<b>63,35,605</b>	<b>100.00%</b>

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

#### 2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment

Security Name	Aging	As at September 28, 2023	As at September 30, 2022
		NIL	NIL

#### 2.9 Prior Year Comparative

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME E TIER II**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	9.9303	10.0000
	High	11.9224	10.1128
	Low	9.9487	9.7275
	End	11.5555	9.8349
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	63.36	0.73
	Average (AAUM)	47.59	0.48
<b>3</b>	<b>Gross income as % of AAUM</b>	14.84%	0.07%
<b>4</b>	<b>Expense Ratio</b>		
	<b>a</b> Total Expense as % of AAUM (Scheme wise)	0.73%	1.76%
	<b>b</b> - Management Fee as % of AAUM (Scheme Wise)	0.11%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAUM</b>	14.11%	-1.69%
<b>6</b>	<b>Portfolio turnover ratio</b>	0.87	0.00
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	16.37%	NA
	Last (1Year) - Since launch of the scheme	17.49%	NA
	Benchmark (6 Months)	16.79%	
	Benchmark (1 Year)	15.24%	

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAUM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.

**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

**Scheme G Tier I**

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C MAX LIFE PENSION MANAGEMENT LIMITED - SCHEME G TIER I  
BALANCE SHEET AS AT SEPTEMBER 30, 2023

(In Rs.)

Particulars	Schedule	As at September 28, 2023	As at September 30, 2022
<b>Liabilities</b>			
<b>Unitholder's Fund</b>			
Unit Capital	1	1,82,29,13,269	7,67,42,180
Reserves and Surplus	2	15,69,26,119	2,34,778
Current Liabilities and Provisions	3	8,37,51,085	5,20,36,151
<b>Total</b>		<b>2,06,35,90,473</b>	<b>12,90,13,109</b>
<b>Assets</b>			
Investments	4	1,93,82,67,791	7,44,39,891
Deposits	5	50,00,000	-
Other Current Assets	6	12,03,22,682	5,45,73,218
<b>Total</b>		<b>2,06,35,90,473</b>	<b>12,90,13,109</b>
(a) Net assets as per Balance Sheets (4+5+6-3)		1,97,98,39,387	7,69,76,958
(b) Number of units outstanding		18,22,91,327	76,74,218
(c) NAV per unit (a)/(b)		10.8609	10.0306
<b>Significant accounting policies and notes to accounts</b>	7		

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C MAX LIFE PENSION MANAGEMENT LIMITED - SCHEME G TIER I  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Interest	4,49,17,901	6,842
Profit on sale/redemption of investments	58,75,885	552
Unrealised gain on appreciation in investments	39,20,764	13,113
Other Income	-	-
<b>Total Income (A)</b>	<b>5,47,14,549</b>	<b>20,506</b>
<b>Expenses and losses</b>		
Unrealised losses in value of investments	1,63,06,276	66,473
Loss on sale/redemption of investments	13,34,443	-
Loss on inter-scheme transfer/sale of investments	5,067	-
Management fees (including GST)	6,94,280	131
NPS Trust Fees	32,687	-
Depository and settlement charges	29,468	873
CRA fees	28,557	4,577
Less: Amount recoverable by sale of units on account of CRA	(28,557)	(4,577)
<b>Total Expenditure (B)</b>	<b>1,84,02,222</b>	<b>67,477</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>3,63,12,328</b>	<b>(46,971)</b>
Less: Amount transferred to Unrealised appreciation account	1,23,85,512	53,360
Less: Amount transferred to General Reserve	4,86,97,840	6,390
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>7</b>	<b>-</b>

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

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

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	62,88,29,643	-
Add: Units issued during the period	1,45,74,74,321	7,67,42,235
Less: Units redeemed during the period	26,33,90,696	54
<b>Outstanding at the end of the period (₹)</b>	<b>1,82,29,13,269</b>	<b>7,67,42,180</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	6,28,82,964	-
Add: Units issued during the period	14,57,47,432	76,74,223
Less: Units redeemed during the period	2,63,39,070	5
<b>Outstanding Units at the end of the period</b>	<b>18,22,91,327</b>	<b>76,74,218</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	2,06,77,133	-
Add/(Less): Premium/(Discount) on Units issued	11,37,75,567	2,81,748
Add/(Less): Discount/(Premium) on Units redeemed	(2,07,10,519)	(0)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>11,37,42,182</b>	<b>2,81,748</b>
<b>General Reserve</b>		
Opening Balance	58,42,481	-
Add: Transfer from Revenue Account	4,86,97,840	6,390
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>5,45,40,320</b>	<b>6,390</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	10,29,129	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(1,23,85,512)	(53,360)
<b>Closing Balance</b>	<b>(1,13,56,383)</b>	<b>(53,360)</b>
<b>Total</b>	<b>15,69,26,119</b>	<b>2,34,778</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	1,77,549	919
Redemption Payable	23,68,256	-
TDS Payable	-	-
Contract for Purchase of Investments	8,12,05,281	5,20,35,232
<b>Total</b>	<b>8,37,51,085</b>	<b>5,20,36,151</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Central and State Government Securities (including treasury bills)	1,89,47,12,952	7,44,37,283
Others - Mutual Fund Units	4,35,54,839	2,607
<b>Total</b>	<b>1,93,82,67,791</b>	<b>7,44,39,891</b>
<b>Schedule 5 - Deposits</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Deposits with Scheduled Banks	-	-
Other Deposits	50,00,000	-
<b>Total</b>	<b>50,00,000</b>	<b>-</b>
<b>Schedule 6 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	8,69,94,959	5,24,48,057
Contracts for sale of investments	-	-
Outstanding and accrued income	3,33,27,723	21,25,161
<b>Total</b>	<b>12,03,22,682</b>	<b>5,45,73,218</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME G TIER I

#### Schedule 7

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

##### 1.1 Background

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreements (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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



The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and

Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### 1.4 Accounting of 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.

#### 1.5 Investments

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

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

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#### **Valuation of Money Market Instrument and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

#### **1.6 Income Recognition**

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

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

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

#### **1.7 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.

#### **1.8 Income Taxes**

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

#### **1.9 Net unrealized gain or loss in value of investments**

The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The net change in unrealized gain or loss between two

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

#### 1.10 Unit Premium Reserve

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

#### 1.11 Units reconciliation

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

#### 1.12 Investment management fee

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

Slab of AUM	Investment Management Fees
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

#### 1.13 Trustee fees

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

#### 1.14 Other Expenses

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

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

**Notes to Accounts**

2.1 Contingent Liabilities	As at September 28, 2023	As at September 30, 2022
----------------------------	-----------------------------	-----------------------------

Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

Nature of Relationship	Name of Related Party
Pension Fund Manager	Max Life Pension Fund Management Limited
Sponsor Company	Max Life Insurance Company Limited
Associates and Group Companies	Max Financial Services Limited Max Life Insurance Company Limited
Holding Company	Max Financial Services Limited Max Life Insurance Company Limited
Key Managerial Personnel	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ended March 31, 2023

Nature of Transactions	Period ended September 28, 2023	Period ended September 30, 2022
Investment Management Fees (Including GST)	6,94,280	131

Balance with Max Life Pension Fund Management Limited are as follows

Nature of Transactions	As at September 28, 2023	As at September 30, 2022
Investment Management Fees Payable (Net of TDS)	1,30,445	111

**2.4 Provisions**

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

2.5 Aggregate value of purchase and sale with percentage to average assets	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	1,35,95,72,398	67,80,347
Purchase of Investments	4,06,95,43,229	7,86,32,413
% to Average Net Assets Value	299%	1160%
Sale of Investments	2,85,88,72,021	20,20,521
% to Average Net Assets Value	210%	30%

2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)*	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	1,35,95,72,398	67,80,347
Purchase of Investments	1,85,86,55,529	7,66,09,838
% to Average Net Assets Value	137%	1130%
Sale of Investments	56,10,27,021	-
% to Average Net Assets Value	41%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

2.7 Investments falling under each major industry group	As at September 28, 2023	
Industry Classification	Market Value	% of Industry Classification
Government Securities	1,32,69,12,802	67.02%
State Development Loans	45,92,11,182	23.19%
Other Approved Securities	10,85,88,968	5.48%
Mutual Fund Units	4,35,54,839	2.20%
Net Current Assets	4,15,71,597	2.10%
<b>Net Asset Value</b>	<b>1,97,98,39,387</b>	<b>100.00%</b>

Industry Classification	As at September 30, 2022	
	Market Value	% of Industry Classification
Government Securities	7,13,88,172	92.74%
State Development Loans	30,49,112	3.96%
Mutual Fund Units	2,607	0.00%
Net Current Assets	25,37,067	3.30%
<b>Net Asset Value</b>	<b>7,69,76,958</b>	<b>100.00%</b>

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

#### 2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment

Security Name	Aging	As at September 28, 2023	As at September 30, 2022
		NIL	NIL

#### 2.9 Prior Year Comparative

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

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

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	10.4381	10.0000
	High	10.9275	10.0721
	Low	10.4454	9.9995
	End	10.8609	10.0306
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	19,798.4	769.77
	Average (AAuM)	13,595.72	67.80
<b>3</b>	<b>Gross income as % of AAuM</b>	4.02%	0.30%
<b>4</b>	<b>Expense Ratio</b>		
	a Total Expense as % of AAuM (Scheme wise)	1.35%	1.00%
	b Management Fee as % of AAuM (Scheme Wise)	0.10%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAuM</b>	2.67%	-0.69%
<b>6</b>	<b>Portfolio turnover ratio</b>	0.41	-
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	4.05%	NA
	Last (1Year) - Since launch of the scheme	8.28%	NA
	Benchmark (6 Months)	3.88%	
	Benchmark (1 Year)	8.70%	

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAuM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAuM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.

**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme G Tier II



NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME G TIER II  
BALANCE SHEET AS AT SEPTEMBER 30, 2023

				(In Rs.)	
Particulars	Schedule	As at September 28, 2023	As at September 30, 2022		
<b>Liabilities</b>					
<b>Unitholder's Fund</b>					
Unit Capital	1	29,46,251	31,995		
Reserves and Surplus	2	2,10,279	56		
Current Liabilities and Provisions	3	1,910	1		
<b>Total</b>		<b>31,58,441</b>	<b>32,052</b>		
<b>Assets</b>					
Investments	4	31,37,926	29,716		
Other Current Assets	5	20,515	2,336		
<b>Total</b>		<b>31,58,441</b>	<b>32,052</b>		
(a) Net assets as per Balance Sheets (4+5-3)		31,56,530	32,051		
(b) Number of units outstanding		2,94,625	3,199		
(c) NAV per unit (a)/(b)		10.7137	10.0177		
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>				

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME G TIER II  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Interest	27,892	-
Profit on sale/redemption of investments	37,701	33
Unrealised gain on appreciation in investments	29,635	16
Other Income	27	-
<b>Total Income (A)</b>	<b>95,254</b>	<b>49</b>
<b>Expenses and losses</b>		
Unrealised losses in value of investments	837	-
Management fees (including GST)	1,410	1
NPS Trust Fees	67	-
Depository and settlement charges	32	-
CRA fees	487	45
Less: Amount recoverable by sale of units on account of CRA	(487)	(45)
<b>Total Expenditure (B)</b>	<b>2,345</b>	<b>1</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>92,909</b>	<b>48</b>
Less: Amount transferred to Unrealised appreciation account	(28,798)	(16)
Less: Amount transferred to General Reserve	64,112	32
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

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Place: Gurugram  
Date: 26 October 2023

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

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	13,15,646	-
Add: Units issued during the period	28,79,563	32,249
Less: Units redeemed during the period	12,48,958	254
<b>Outstanding at the end of the period (₹)</b>	<b>29,46,251</b>	<b>31,995</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	1,31,565	-
Add: Units issued during the period	2,87,956	3,225
Less: Units redeemed during the period	1,24,896	25
<b>Outstanding Units at the end of the period</b>	<b>2,94,625</b>	<b>3,199</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	26,343	-
Add/(Less): Premium/(Discount) on Units issued	1,45,879	9
Add/(Less): Discount/(Premium) on Units redeemed	(72,200)	(0)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>1,00,022</b>	<b>9</b>
<b>General Reserve</b>		
Opening Balance	14,502	-
Add: Transfer from Revenue Account	64,112	32
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>78,614</b>	<b>32</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	2,846	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	28,798	16
<b>Closing Balance</b>	<b>31,643</b>	<b>16</b>
<b>Total</b>	<b>2,10,279</b>	<b>56</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	299	1
TDS Payable	-	-
<b>Total</b>	<b>1,910</b>	<b>1</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Central and State Government Securities (including treasury bills)	16,20,902	-
Others - Mutual Fund Units	15,17,024	29,716
<b>Total</b>	<b>31,37,926</b>	<b>29,716</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	4,871	2,336
Outstanding and accrued income	14,644	-
<b>Total</b>	<b>20,515</b>	<b>2,336</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME G TIER II

#### Schedule 6

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

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

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

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

#### **1.7 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.

#### **1.8 Income Taxes**

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

#### **1.9 Net unrealized gain or loss in value of investments**

The net unrealized gain or loss in the value of investments is determined separately for each category of investment. The net change in unrealized gain or loss between two

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

#### 1.10 Unit Premium Reserve

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

#### 1.11 Units reconciliation

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

#### 1.12 Investment management fee

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

Slab of AUM	Investment Management Fees
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

#### 1.13 Trustee fees

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

#### 1.14 Other Expenses

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



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME G TIER II**

**Notes to Accounts**

**2.1 Contingent Liabilities** As at September 28, 2023    As at September 30, 2022

Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

Nature of Relationship	Name of Related Party
<b>Pension Fund Manager</b>	Max Life Pension Fund Management Limited
<b>Sponsor Company</b>	Max Life Insurance Company Limited
<b>Associates and Group Companies</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Holding Company</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Key Managerial Personnel</b>	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ended March 31, 2023

Nature of Transactions	Period ended September 28, 2023	Period ended September 30, 2022
Investment Management Fees (Including GST)	1,410	1

Balance with Max Life Pension Fund Management Limited are as follows

Nature of Transactions	As at September 28, 2023	As at September 30, 2022
Investment Management Fees Payable (Net of TDS)	216	1

**2.4 Provisions**

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

**2.5 Aggregate value of purchase and sale with percentage to average assets** As at September 28, 2023    As at September 30, 2022

Average Net Asset Value	27,30,017	22,241
Purchase of Investments	42,10,569	72,110
% to Average Net Assets Value	154%	324%
Sale of Investments	24,87,621	42,443
% to Average Net Assets Value	91%	191%

**2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)\*** As at September 28, 2023    As at September 30, 2022

Average Net Asset Value	27,30,017	22,241
Purchase of Investments	9,80,829	-
% to Average Net Assets Value	36%	0%
Sale of Investments	-	-
% to Average Net Assets Value	0%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

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

Industry Classification	As at September 28, 2023	
	Market Value	% of Industry Classification
Government Securities	3,90,805	12.38%
State Development Loans	12,30,097	38.97%
Mutual Fund Units	15,17,024	48.06%
Net Current Assets	18,604	0.59%
<b>Net Asset Value</b>	<b>31,56,530</b>	<b>100.00%</b>

Industry Classification	As at September 30, 2022	
	Market Value	% of Industry Classification
Mutual Fund Units	29,716	92.71%
Net Current Assets	2,335	7.29%
<b>Net Asset Value</b>	<b>32,051</b>	<b>100.00%</b>

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

**2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment**  
Security Name

Aging

As at September 28, 2023

As at September 30, 2022

NIL

NIL

**2.9 Prior Year Comparative**

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME G TIER II**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	10.3321	10.0000
	High	10.7238	10.0177
	Low	10.3375	9.9968
	End	10.7137	10.0177
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	31.57	0.32
	Average (AAuM)	27.30	0.22
<b>3</b>	<b>Gross income as % of AAuM</b>	3.49%	0.22%
<b>4</b>	<b>Expense Ratio</b>		
	a Total Expense as % of AAuM (Scheme wise)	0.09%	0.00%
	b Management Fee as % of AAuM (Scheme Wise)	0.10%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAuM</b>	3.40%	0.21%
<b>6</b>	<b>Portfolio turnover ratio</b>	-	-
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	3.69%	NA
	Last (1Year) - Since launch of the scheme	6.95%	NA
	Benchmark (6 Months)	3.88%	
	Benchmark (1 Year)	8.70%	

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAuM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAuM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.

**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme C Tier I

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER I  
BALANCE SHEET AS AT SEPTEMBER 30, 2023

(In Rs.)

Particulars	Schedule	As at September 28, 2023	As at September 30, 2022
<b>Liabilities</b>			
<b>Unitholder's Fund</b>			
Unit Capital	1	79,67,87,190	3,26,22,744
Reserves and Surplus	2	5,55,61,572	(1,58,822)
Current Liabilities and Provisions	3	4,12,660	1,13,15,433
<b>Total</b>		<b>85,27,61,421</b>	<b>4,37,79,355</b>
<b>Assets</b>			
Investments	4	79,83,11,914	1,29,65,833
Other Current Assets	5	5,44,49,508	3,08,13,522
<b>Total</b>		<b>85,27,61,421</b>	<b>4,37,79,355</b>
(a) Net assets as per Balance Sheets (4+5-3)		85,23,48,762	3,24,63,922
(b) Number of units outstanding		7,96,78,719	32,62,274
(c) NAV per unit (a)/(b)		10.6973	9.9513
<b>Significant accounting policies and notes to accounts</b>	6		

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER I  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Interest	2,06,65,637	438
Profit on sale/redemption of investments	10,71,465	1,196
Profit on inter-scheme transfer/sale of investments	2,205	-
Unrealised gain on appreciation in investments	22,765	2
Other Income	-	-
<b>Total Income (A)</b>	<b>2,17,62,071</b>	<b>1,636</b>
<b>Expenses and losses</b>		
Unrealised losses in value of investments	18,13,890	74,679
Loss on sale/redemption of investments	-	-
Management fees (including GST)	3,07,209	74
NPS Trust Fees	14,464	-
Depository and settlement charges	2,970	150
CRA fees	16,068	2,360
Less: Amount recoverable by sale of units on account of CRA	(16,068)	(2,360)
<b>Total Expenditure (B)</b>	<b>21,38,532</b>	<b>74,903</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>1,96,23,540</b>	<b>(73,266)</b>
Less: Amount transferred to Unrealised appreciation account	17,91,125	74,677
Less: Amount transferred to General Reserve	2,14,14,665	1,411
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER I**

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	32,42,86,478	-
Add: Units issued during the period	53,83,43,675	3,26,46,238
Less: Units redeemed during the period	6,58,42,963	23,493
<b>Outstanding at the end of the period (₹)</b>	<b>79,67,87,190</b>	<b>3,26,22,744</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	3,24,28,648	-
Add: Units issued during the period	5,38,34,368	32,64,624
Less: Units redeemed during the period	65,84,296	2,349
<b>Outstanding Units at the end of the period</b>	<b>7,96,78,719</b>	<b>32,62,274</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	69,28,347	-
Add/(Less): Premium/(Discount) on Units issued	3,02,54,401	(85,670)
Add/(Less): Discount/(Premium) on Units redeemed	(37,96,504)	114
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>3,33,86,243</b>	<b>(85,556)</b>
<b>General Reserve</b>		
Opening Balance	21,46,098	-
Add: Transfer from Revenue Account	2,14,14,665	1,411
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>2,35,60,763</b>	<b>1,411</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	4,05,691	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	(17,91,125)	(74,677)
<b>Closing Balance</b>	<b>(13,85,435)</b>	<b>(74,677)</b>
<b>Total</b>	<b>5,55,61,572</b>	<b>(1,58,822)</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	69,832	85
Redemption Payable	3,42,828	23,379
TDS Payable	-	-
Contract for Purchase of Investments	-	1,12,91,970
<b>Total</b>	<b>4,12,660</b>	<b>1,13,15,433</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Debentures and Bonds Listed/ Awaiting Listing	77,97,97,217	1,29,62,265
Commercial Paper	5,00,000	-
Others - Mutual Fund Units	1,80,14,697	3,568
<b>Total</b>	<b>79,83,11,913</b>	<b>1,29,65,833</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	2,35,02,737	3,05,22,174
Contracts for sale of investments	-	-
Outstanding and accrued income	3,09,46,771	2,91,348
<b>Total</b>	<b>5,44,49,508</b>	<b>3,08,13,523</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME C TIER I

#### Schedule 6

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

##### 1.1 Background

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreements (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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



The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and

Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### **1.4 Accounting of 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.

#### **1.5 Investments**

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

As per directive received from NPS Trust, the valuation of investments is carried out by CRISIL Limited w.e.f. April 01, 2022. The Investment valuation methodology adopted by CRISIL Limited is as follows:

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

##### **Securities traded at a stock exchange:**

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

**Securities not traded at a stock exchange:**

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

**Valuation of securities having call and/or Put options:**

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

**Valuation of Partly Paid up Bonds**

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

**Valuation of debt securities below Investment grade of BBB-**

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

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

**Valuation of Money Market Investment and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

**1.6 Income Recognition**

Interest income on all interest bearing investment is recognised on daily accrual basis; when investments are purchased, interest paid for the period from the last interest due

date up to the date of purchase is debited to Interest Recoverable Account and not included in cost of purchase. Similarly interest received at the time of sale for the period from the last interest due date up to the date of sale credited to Interest Recoverable Account and not included in sale value.

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

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

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

### **1.7 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.

### **1.8 Income Taxes**

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

### **1.9 Net unrealized gain or loss in value of investments**

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

### **1.10 Unit Premium Reserve**

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

### **1.11 Units reconciliation**

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

### 1.12 Investment management fee

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

<b>Slab of AUM</b>	<b>Investment Management Fees</b>
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

### 1.13 Trustee fees

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

### 1.14 Other Expenses

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER I**

**Notes to Accounts**

2.1 Contingent Liabilities	As at September 28, 2023	As at September 30, 2022
Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

Nature of Relationship	Name of Related Party
Pension Fund Manager	Max Life Pension Fund Management Limited
Sponsor Company	Max Life Insurance Company Limited
Associates and Group Companies	Max Financial Services Limited Max Life Insurance Company Limited
Holding Company	Max Financial Services Limited Max Life Insurance Company Limited
Key Managerial Personnel	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ending 31st March, 2023

Nature of Transactions	Period ended September 28, 2023	Period ended September 30, 2022
Investment Management Fees (Including GST)	3,07,209	74

Balance with Max Life Pension Fund Management Limited are as follows

Nature of Transactions	As at September 28, 2023	As at September 30, 2022
Investment Management Fees Payable (Net of TDS)	55,343	62

**2.4 Provisions**

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

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

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	59,89,66,789	32,13,034
Purchase of Investments	2,64,66,31,738	1,60,65,074
% to Average Net Assets Value	442%	500%
Sale of Investments	2,20,79,38,953	27,34,700
% to Average Net Assets Value	369%	85%

**2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)\***

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	59,89,66,789	32,13,034
Purchase of Investments	57,40,33,337	1,33,28,004
% to Average Net Assets Value	96%	415%
Sale of Investments	38,73,953.49	-
% to Average Net Assets Value	1%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

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

Industry Classification	As at September 28, 2023	
	Market Value	% of Industry Classification
Other Credit Granting	36,19,65,105	42.47%
Monetary Intermediation of Commercial Banks, Saving Banks, Postal Savings Bank and Discount Houses	12,40,61,551	14.56%
Electric Power Generation and Transmission by Nuclear Power Plants	5,15,55,132	6.05%
Transmission of Electric Energy	4,80,63,566	5.64%
Other	19,41,52,613	22.78%
Mutual Fund	1,85,14,697	2.17%
Net Current Assets	5,40,36,098	6.34%
<b>Net Asset Value</b>	<b>85,23,48,762</b>	<b>100.00%</b>

Industry Classification	As at September 30, 2022	
	Market Value	% of Industry Classification
Activities of Specialized Institutions Granting Credit for House Purchases that also Take Deposits	58,87,576	18.14%
Transmission of Electric Energy	30,97,965	9.54%
Other Credit Granting	29,63,532	9.13%
Production of Liquid and Gaseous Fuels, Illuminating Oils, Lubricating Oils or Greases or Other Products from Crude Petroleum or Bituminous Minerals	10,13,192	3.12%
Mutual Fund	3,568	0.01%
Net Current Assets	1,94,98,089	60.06%
<b>Net Asset Value</b>	<b>3,24,63,922</b>	<b>100.00%</b>

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment			
Security Name	Aging	As at September 28, 2023	As at September 30, 2022
		NIL	NIL

### 2.9 Prior Year Comparative

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER I**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	10.2923	10.0000
	High	10.7078	10.0136
	Low	10.2856	9.9513
	End	10.6973	9.9513
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	8,523.49	324.64
	Average (AAUM)	5,989.67	32.13
<b>3</b>	<b>Gross income as % of AAUM</b>	3.63%	0.05%
<b>4</b>	<b>Expense Ratio</b>		
<b>a</b>	Total Expense as % of AAUM (Scheme wise)	0.36%	2.33%
<b>b</b>	Management Fee as % of AAUM (Scheme Wise)	0.10%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAUM</b>	3.28%	-2.28%
<b>6</b>	<b>Portfolio turnover ratio</b>	0.01	-
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	3.94%	NA
	Last (1Year) - Since launch of the scheme	7.50%	NA
	Benchmark (6 Months)	3.96%	
	Benchmark (1 Year)	7.77%	

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAuM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annulised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAuM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.



**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme C Tier II

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER II  
BALANCE SHEET AS AT SEPTEMBER 30, 2023

(In Rs.)

Particulars	Schedule	As at September 28, 2023	As at September 30, 2022
<b>Liabilities</b>			
<b>Unitholder's Fund</b>			
Unit Capital	1	14,71,402	30,788
Reserves and Surplus	2	99,001	67
Current Liabilities and Provisions	3	533	1
<b>Total</b>		<b>15,70,936</b>	<b>30,856</b>
<b>Assets</b>			
Investments	4	15,69,332	29,315
Other Current Assets	5	1,604	1,541
<b>Total</b>		<b>15,70,936</b>	<b>30,856</b>
(a) Net assets as per Balance Sheets (4+5-3)		15,70,402	30,855
(b) Number of units outstanding		1,47,140	3,079
(c) NAV per unit (a)/ (b)		10.6728	10.0219
<b>Significant accounting policies and notes to accounts</b>	6		

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER II  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Profit on sale/redemption of investments	12,391	33
Unrealised gain on appreciation in investments	37,953	15
Other Income	(0)	-
<b>Total Income (A)</b>	<b>50,344</b>	<b>48</b>
<b>Expenses and losses</b>		
Management fees (including GST)	777	1
NPS Trust Fees	37	-
CRA fees	465	35
Less: Amount recoverable by sale of units on account of CRA	(465)	(35)
<b>Total Expenditure (B)</b>	<b>814</b>	<b>1</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>49,530</b>	<b>47</b>
Less: Amount transferred to Unrealised appreciation account	(37,953)	(15)
Less: Amount transferred to General Reserve	11,577	32
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C MAX LIFE PENSION MANAGEMENT LIMITED - SCHEME C TIER II**

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	9,48,355	-
Add: Units issued during the period	16,48,266	30,888
Less: Units redeemed during the period	11,25,220	100
<b>Outstanding at the end of the period (₹)</b>	<b>14,71,402</b>	<b>30,788</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	94,836	-
Add: Units issued during the period	1,64,827	3,089
Less: Units redeemed during the period	1,12,522	10
<b>Outstanding Units at the end of the period</b>	<b>1,47,140</b>	<b>3,079</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	19,419	-
Add/(Less): Premium/(Discount) on Units issued	76,641	20
Add/(Less): Discount/(Premium) on Units redeemed	(57,449)	(0)
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>38,612</b>	<b>20</b>
<b>General Reserve</b>		
Opening Balance	8,020	-
Add: Transfer from Revenue Account	11,577	32
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>19,597</b>	<b>32</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	2,838	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	37,953	15
<b>Closing Balance</b>	<b>40,792</b>	<b>15</b>
<b>Total</b>	<b>99,001</b>	<b>67</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	125	1
TDS Payable	-	-
<b>Total</b>	<b>533</b>	<b>1</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Others - Mutual Fund Units	15,69,332	29,315
<b>Total</b>	<b>15,69,332</b>	<b>29,315</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	1,604	1,541
<b>Total</b>	<b>1,604</b>	<b>1,541</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME C TIER II

#### Schedule 6

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

##### 1.1 Background

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreements (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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

The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and

Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### **1.4 Accounting of 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.

#### **1.5 Investments**

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

As per directive received from NPS Trust, the valuation of investments is carried out by CRISIL Limited w.e.f. April 01, 2022. The Investment valuation methodology adopted by CRISIL Limited is as follows:

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

##### **Securities traded at a stock exchange:**

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

**Securities not traded at a stock exchange:**

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

**Valuation of securities having call and/or Put options:**

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

**Valuation of Partly Paid up Bonds**

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

**Valuation of debt securities below Investment grade of BBB-**

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

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

**Valuation of Money Market Investment and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

## 1.6 Income Recognition

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



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

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

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

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

### **1.7 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.

### **1.8 Income Taxes**

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

### **1.9 Net unrealized gain or loss in value of investments**

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

### **1.10 Unit Premium Reserve**

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

### **1.11 Units reconciliation**

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

### **1.12 Investment management fee**

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

<b>Slab of AUM</b>	<b>Investment Management Fees</b>
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

#### **1.13 Trustee fees**

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

#### **1.14 Other Expenses**

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER II**

**Notes to Accounts**

**2.1 Contingent Liabilities**

	As at September 28, 2023	As at September 30, 2022
--	-----------------------------	-----------------------------

Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

Nature of Relationship	Name of Related Party
<b>Pension Fund Manager</b>	Max Life Pension Fund Management Limited
<b>Sponsor Company</b>	Max Life Insurance Company Limited
<b>Associates and Group Companies</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Holding Company</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Key Managerial Personnel</b>	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ending 31st March, 2023

Nature of Transactions	Period ended September 28, 2023	Period ended September 30, 2022
------------------------	------------------------------------	------------------------------------

Investment Management Fees (Including GST)	776.93	1
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Balance with Max Life Pension Fund Management Limited are as follows

Nature of Transactions	As at September 28, 2023	As at September 30, 2022
------------------------	-----------------------------	-----------------------------

Investment Management Fees Payable (Net of TDS)	101.08	1
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**2.3 Provisions**

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

**2.4 Aggregate value of purchase and sale with percentage to average assets**

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	14,92,860	21,460
Purchase of Investments	17,25,460	69,000
% to Average Net Assets Value	116%	322%
Sale of Investments	11,83,611	39,733
% to Average Net Assets Value	79%	185%

**2.5 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)\***

	As at September 28, 2023	As at September 30, 2022
Average Net Asset Value	14,92,860	21,460
Purchase of Investments	-	-
% to Average Net Assets Value	0%	0%
Sale of Investments	-	-
% to Average Net Assets Value	0%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

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

Industry Classification	As at September 28, 2023	
	Market Value	% of Industry Classification

Mutual Fund	13,73,722	100.11%
Net Current Assets	(1,497)	-0.11%

<b>Net Asset Value</b>	<b>13,72,226</b>	<b>100.00%</b>
------------------------	------------------	----------------

Industry Classification	As at September 30, 2022	
	Market Value	% of Industry Classification

Mutual Fund	15,69,332	95.01%
Net Current Assets	1,071	4.99%

<b>Net Asset Value</b>	<b>15,70,402</b>	<b>100.00%</b>
------------------------	------------------	----------------

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

**2.7 Age wise disclosure for shares/debentures/ other application money pending for allotment**  
Security Name

Aging

As at  
September 28, 2023

As at  
September 30, 2022

NIL

NIL

**2.8 Prior Year Comparative**

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME C TIER II**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	10.3193	10.0000
	High	10.6728	10.0219
	Low	10.3295	9.9995
	End	10.6728	10.0219
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	15.70	0.31
	Average (AAUM)	14.93	0.21
<b>3</b>	<b>Gross income as % of AAUM</b>	3.37%	0.22%
<b>4</b>	<b>Expense Ratio</b>		
<b>a</b>	Total Expense as % of AAUM (Scheme wise)	0.05%	0.00%
<b>b</b>	Management Fee as % of AAUM (Scheme Wise)	0.11%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAUM</b>	3.32%	0.22%
<b>6</b>	<b>Portfolio turnover ratio</b>	-	-
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	3.43%	NA
	Last (1Year) - Since launch of the scheme	6.50%	NA
	Benchmark (6 Months)	3.96%	
	Benchmark (1 Year)	7.77%	

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAUM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAUM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.

**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme A Tier I

**NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME A TIER I  
BALANCE SHEET AS AT SEPTEMBER 30, 2023**

(In Rs.)

Particulars	Schedule	As at September 28, 2023	As at September 30, 2022
<b>Liabilities</b>			
<b>Unitholder's Fund</b>			
Unit Capital	1	12,52,996	1,68,699
Reserves and Surplus	2	(1,01,233)	(23,017)
Current Liabilities and Provisions	3	94	3
<b>Total</b>		<b>11,51,857</b>	<b>1,45,685</b>
<b>Assets</b>			
Investments	4	11,50,973	1,44,263
Other Current Assets	5	884	1,422
<b>Total</b>		<b>11,51,857</b>	<b>1,45,685</b>
(a) Net assets as per Balance Sheets (4+5-3)		11,51,762	1,45,682
(b) Number of units outstanding		1,25,300	16,870
(c) NAV per unit (a)/(b)		9.1921	8.6356
<b>Significant accounting policies and notes to accounts</b>	6		

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME A TIER I  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Profit on sale/redemption of investments	747	61
Unrealised gain on appreciation in investments	28,341	63
Other Income	-	-
<b>Total Income (A)</b>	<b>29,088</b>	<b>125</b>
<b>Expenses and losses</b>		
Management fees (including GST)	456	3
NPS Trust Fees	22	-
CRA fees	247	10
Less: Amount recoverable by sale of units on account of CRA	(247)	(10)
<b>Total Expenditure (B)</b>	<b>478</b>	<b>3</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>28,610</b>	<b>122</b>
Less: Amount transferred to Unrealised appreciation account	(28,341)	(63)
Less: Amount transferred to General Reserve	269	59
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023



**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C MAX LIFE PENSION MANAGEMENT LIMITED - SCHEME A TIER I**

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	6,72,211	-
Add: Units issued during the period	6,32,524	1,68,699
Less: Units redeemed during the period	51,739	-
<b>Outstanding at the end of the period (₹)</b>	<b>12,52,996</b>	<b>1,68,699</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	67,221	-
Add: Units issued during the period	63,252	16,870
Less: Units redeemed during the period	5,174	-
<b>Outstanding Units at the end of the period</b>	<b>1,25,300</b>	<b>16,870</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	(83,313)	-
Add/(Less): Premium/(Discount) on Units issued	(60,102)	(23,139)
Add/(Less): Discount/(Premium) on Units redeemed	4,706	-
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>(1,38,710)</b>	<b>(23,139)</b>
<b>General Reserve</b>		
Opening Balance	6,932	-
Add: Transfer from Revenue Account	269	59
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>7,201</b>	<b>59</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	1,934	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	28,341	63
<b>Closing Balance</b>	<b>30,275</b>	<b>63</b>
<b>Total</b>	<b>(1,01,233)</b>	<b>(23,017)</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	94	3
TDS Payable	-	-
<b>Total</b>	<b>94</b>	<b>3</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Others - Mutual Fund Units	11,50,972	1,44,263
<b>Total</b>	<b>11,50,972</b>	<b>1,44,263</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	884	1,421
<b>Total</b>	<b>884</b>	<b>1,421</b>

## **NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED**

### **SCHEME A TIER I**

#### **Schedule 6**

#### **Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024**

##### **1.1 Background**

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreements (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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

The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and

Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### **1.4 Accounting of 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.

#### **1.5 Investments**

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

As per directive received from NPS Trust, the valuation of investments is carried out by CRISIL Limited w.e.f. April 01, 2022. The Investment valuation methodology adopted by CRISIL Limited is as follows:

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

##### **Securities traded at a stock exchange:**

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

**Securities not traded at a stock exchange:**

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

**Valuation of securities having call and/or Put options:**

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

**Valuation of debt securities below Investment grade of BBB-**

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

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

**Valuation of Money Market Investment and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

**1.6 Income Recognition**

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

**1.7 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.

#### 1.8 Income Taxes

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

#### 1.9 Net unrealized gain or loss in value of investments

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

#### 1.10 Unit Premium Reserve

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

#### 1.11 Units reconciliation

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

#### 1.12 Investment management fee

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

Slab of AUM	Investment Management Fees
Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

### **1.13 Trustee fees**

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

### **1.14 Other Expenses**

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME A TIER I**

**Notes to Accounts**

<b>2.1 Contingent Liabilities</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
<b>Pension Fund Manager</b>	Max Life Pension Fund Management Limited
<b>Sponsor Company</b>	Max Life Insurance Company Limited
<b>Associates and Group Companies</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Holding Company</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Key Managerial Personnel</b>	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ended March 31, 2023

<b>Nature of Transactions</b>	<b>Period ended September 28, 2023</b>	<b>Period ended September 30, 2022</b>
Investment Management Fees (Including GST)	456	3

Balance with Max Life Pension Fund Management Limited are as follows

<b>Nature of Transactions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Investment Management Fees Payable (Net of TDS)	76	2

**2.4 Provisions**

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

<b>2.5 Aggregate value of purchase and sale with percentage to average assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Average Net Asset Value	8,85,418	1,05,253
Purchase of Investments	5,81,600	2,32,300
% to Average Net Assets Value	66%	221%
Sale of Investments	56,800	88,161
% to Average Net Assets Value	6%	84%

<b>2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)*</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Average Net Asset Value	8,85,418	1,05,253
Purchase of Investments	-	-
% to Average Net Assets Value	0%	0%
Sale of Investments	-	-
% to Average Net Assets Value	0%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

<b>Industry Classification</b>	<b>As at September 28, 2023</b>	
	<b>Market Value</b>	<b>% of Industry Classification</b>
Mutual Fund	11,50,972	99.93%
Net Current Assets	790	0.07%
<b>Net Asset Value</b>	<b>11,51,762</b>	<b>100.00%</b>

<b>Industry Classification</b>	<b>As at September 30, 2022</b>	
	<b>Market Value</b>	<b>% of Industry Classification</b>
Mutual Fund	1,44,263	99.03%
Net Current Assets	1,419	0.97%
<b>Net Asset Value</b>	<b>1,45,682</b>	<b>100.00%</b>

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.



**2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment**  
Security Name

Aging

As at September 28, 2023

As at September 30,  
2022

NIL

NIL

**2.9 Prior Year Comparative**

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME A TIER I**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	8.8925	10.0000
	High	9.1921	10.0000
	Low	8.9014	8.6249
	End	9.1921	8.6356
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	11.52	1.46
	Average AAuM	8.85	1.05
<b>3</b>	<b>Gross income as % of AAuM</b>	3.29%	0.12%
<b>4</b>	<b>Expense Ratio</b>		
	a Total Expense as % of AAuM (Scheme wise)	0.05%	0.00%
	b Management Fee as % of AAuM (Scheme Wise)	0.10%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAuM</b>	3.23%	0.12%
<b>6</b>	<b>Portfolio turnover ratio</b>	-	-
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	3.37%	NA
	Last (1Year) - Since launch of the scheme	6.44%	NA
	Benchmark (6 Months)	NA	NA
	Benchmark (6 Months)	NA	NA

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAuM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAuM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.

**MAX LIFE PENSION FUND  
MANAGEMENT LIMITED**

Scheme TAX SAVER Tier II

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME TAX SAVER TIER II  
BALANCE SHEET AS AT SEPTEMBER 30, 2023

(In Rs.)

Particulars	Schedule	As at September 28, 2023	As at September 30, 2022
<b>Liabilities</b>			
<b>Unitholder's Fund</b>			
Unit Capital	1	3,06,711	4,000
Reserves and Surplus	2	19,271	5
Current Liabilities and Provisions	3	26	1
<b>Total</b>		<b>3,26,009</b>	<b>4,006</b>
<b>Assets</b>			
Investments	4	3,25,581	4,002
Other Current Assets	5	428	4
<b>Total</b>		<b>3,26,009</b>	<b>4,006</b>
(a) Net assets as per Balance Sheets (4+5-3)		3,25,983	4,005
(b) Number of units outstanding		30,671	400
(c) NAV per unit (a)/(b)		10.6283	10.0136
<b>Significant accounting policies and notes to accounts</b>	6		

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

NATIONAL PENSION SYSTEM TRUST  
NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME TAX SAVER TIER II  
REVENUE ACCOUNT FOR THE PERIOD ENDED SEPTEMBER 28, 2023

Particulars	(In Rs.)	
	Period ended September 28, 2023	Period ended September 30, 2022
<b>Income</b>		
Profit on sale/redemption of investments	17	3
Unrealised gain on appreciation in investments	8,420	2
Other Income	-	-
<b>Total Income (A)</b>	<b>8,437</b>	<b>6</b>
<b>Expenses and losses</b>		
Management fees (including GST)	132	0.110
NPS Trust Fees	6	-
<b>Total Expenditure (B)</b>	<b>138</b>	<b>0</b>
<b>Surplus/(Deficit) for the period (A-B)</b>	<b>8,299</b>	<b>5</b>
Less: Amount transferred to Unrealised appreciation account	(8,420)	(2)
Less: Amount transferred to General Reserve	(121)	3
<b>Amount carried forward to Balance Sheet</b>	<b>-</b>	<b>-</b>
<b>Significant accounting policies and notes to accounts</b>	<b>6</b>	

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

For and on behalf of  
Max Life Pension Fund Management Limited

Suresh Bhagavatula  
Chief Financial Officer

Ranbheer Dhariwal  
Chief Executive Officer

Place: Gurugram  
Date: 26 October 2023

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

**Schedules forming part of the financial statements**

<b>Schedule 1 - Unit Capital</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Outstanding at the beginning of the period	2,08,316	-
Add: Units issued during the period	98,395	4,000
Less: Units redeemed during the period	-	-
<b>Outstanding at the end of the period (₹)</b>	<b>3,06,711</b>	<b>4,000</b>
<b>(Face Value of Rs.10/- each unit, fully paid up)</b>		
Outstanding units at the beginning of the period	20,832	-
Add: Units issued during the period	9,840	400
Less: Units redeemed during the period	-	-
<b>Outstanding Units at the end of the period</b>	<b>30,671</b>	<b>400</b>
<b>Schedule 2 - Reserves and Surplus</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Unit Premium Reserve</b>		
Opening Balance	3,684	-
Add/(Less): Premium/(Discount) on Units issued	5,105	-
Add/(Less): Discount/(Premium) on Units redeemed	-	-
Add: Transfer from General Reserve	-	-
<b>Closing Balance</b>	<b>8,789</b>	<b>-</b>
<b>General Reserve</b>		
Opening Balance	1,539	-
Add: Transfer from Revenue Account	(121)	3
Less: Transfer to Unit Premium Reserve	-	-
<b>Closing Balance</b>	<b>1,418</b>	<b>3</b>
<b>Unrealised Appreciation Account</b>		
Opening Balance	645	-
Add: Adjustment for Previous years unrealised appreciation reserve	-	-
Add/(Less): Transfer from/(to) Revenue Account	8,420	2
<b>Closing Balance</b>	<b>9,065</b>	<b>2</b>
<b>Total</b>	<b>19,271</b>	<b>5</b>
<b>Schedule 3 - Current Liabilities and Provisions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Current Liabilities</b>		
Sundry Creditors	26	0
TDS Payable	-	-
<b>Total</b>	<b>26</b>	<b>0</b>
<b>Schedule 4 - Investments</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
<b>Investments (Long Term and Short Term)</b>		
Others - Mutual Fund Units	3,25,581	4,002
<b>Total</b>	<b>3,25,581</b>	<b>4,002</b>
<b>Schedule 5 - Other Current Assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Balances with bank in current account	428	3
<b>Total</b>	<b>428</b>	<b>3</b>

## NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED

### SCHEME TAX SAVER TIER II

#### Schedule 6

#### Significant accounting policies & notes to accounts for the Half Year ended March 31, 2024

##### 1.1 Background

Max Life Pension Fund Management Ltd., (MLPFML) a Company incorporated under the Companies Act, 2013, and a subsidiary of Max Life Insurance Limited was appointed as a Pension Fund Manager (PFM) by the Pension Fund Regulatory and Development Authority (PFRDA) for the management of Pension Fund and for this purpose it has entered into Investment Management Agreements (IMA). 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 NAV. The PFM manage funds of subscribers till attaining the age of superannuation / death / voluntary withdrawal, whichever is earlier.

As per the architecture, Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, and Computer Age Management Services Limited being the Central Recordkeeping Agencies (CRAs) provides consolidated data to PFM for allotment/redemption of units and Axis Bank Ltd., being the Trustee Bank, provides/receive funds on consolidated basis in respect of such allotment/redemption.

**Central Record Keeping Agency (CRA):** Protean eGovernance Infrastructure Ltd., KFin Technologies Private Limited, Computer Age Management Services Ltd and PFRDA have set up Central Recordkeeping Agency (CRA) for the NPS.

**Some of the key responsibilities of the CRA include the following:**

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

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

The Trustee bank i.e. Axis Bank provides subscription funds on a consolidated basis for all the schemes managed by PFM and credits the same to a control account maintained by the PFM, wherefrom the funds are transferred by the PFM to the respective schemes. The PFM record receipt of funds in the respective schemes only.

NPS trust has designated Deutsche Bank AG (DB) as the custodian, who is responsible for safe custody of securities and settlements of trades and informs/updates about the corporate actions.

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

CRISIL has been designated as centralised valuation service provider appointed by NPS Trust, who is responsible for providing rates for valuation, which is used by PFM for valuation of investments.

## **1.2 Schemes Particulars**

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

Scheme E - Equity market instruments

Scheme G - Government securities

Scheme C - Credit risk bearing fixed income instruments

Scheme A -Alternate Investment funds

Scheme Tax Saver- Hybrid Investments

Tier-I: This is the non-withdrawable permanent retirement account into which the regular contributions made by the subscriber are credited and invested as per the portfolio/fund manager chosen of the subscriber.

Tier-II: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when required.

The objective of the schemes is to maximize the risk adjusted return by investing in specified securities as per investing pattern as prescribed by PFRDA.

## **1.3 Basis of preparation**

The financial statements have been prepared to comply with the Pension Fund Regulatory and Development Authority Act, 2013, PFRDA (Preparation of financial statements and



Auditor's report of Schemes under National Pension System) Guidelines- 2012, Accounting Standards notified under the Companies Act, 2013 to the extent made applicable by PFRDA (Preparation of financial statements and Auditor's report of Schemes under National Pension System) Guidelines- 2012 and generally accepted accounting principles. These financial statements have been prepared on an accrual basis under the historical cost convention, except valuation of investments, which are 'mark-to-market'.

#### **1.4 Accounting of 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.

#### **1.5 Investments**

Transactions for purchase and sale of securities are accounted on trade date at cost and sale price respectively.

The holding cost of investments is determined by the weighted average cost method and the cost includes applicable taxes, stamp charges and brokerage but exclude other transactional charges. Investments are reconciled with the custodian records on daily basis.

##### **Valuation of Investments**

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

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

As per directive received from NPS Trust, the valuation of investments is carried out by CRISIL Limited w.e.f. April 01, 2022. The Investment valuation methodology adopted by CRISIL Limited is as follows:

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

##### **Valuation of Corporate Bonds**

**Securities traded at a stock exchange:**

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

**Securities not traded at a stock exchange:**

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

**Valuation of securities having call and/or Put options:**

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

**Valuation of Partly Paid up Bonds**

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

**Valuation of debt securities below Investment grade of BBB-**

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

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

**Valuation of Government Securities**

**Central Government, State Government securities and Treasury bills are valued based on CRISIL Limited's internal valuation methodology as follows:**

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

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

### **Valuation of Equity**

#### **Securities traded at a stock exchange:**

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

#### **Securities not traded at a stock exchange:**

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

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

#### **Valuation of Right Shares**

Non traded rights are valued at the difference of closing market price of the original equity share for the day and the offer price.

Traded rights are valued at the closing market price of the rights renunciation till the time of application. In the event of application of rights, the rights entitlement would be valued at the closing market price of the original equity share till the date of allotment/listing.

### **Valuation of Money Market Investment and Mutual Fund**

Money market instruments like, commercial paper, and certificate of deposit are valued at last quoted price / applicable Matrix based valuation for investment grade securities. Mutual fund units are valued based on the net asset value of the preceding day of the valuation date.

## **1.6 Income Recognition**

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

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

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

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

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

### **1.7 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.

### **1.8 Income Taxes**

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

### **1.9 Net unrealized gain or loss in value of investments**

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

### **1.10 Unit Premium Reserve**

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

### **1.11 Units reconciliation**

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

### **1.12 Investment management fee**

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

The Company has charged investment management fee as per the below slab structure basis the aggregate AUM managed by the PFM under all Scheme during the period of operation.

<b>Slab of AUM</b>	<b>Investment Management Fees</b>
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Upto 10,000 Cr	0.09%
10,001 - 50,000 Cr	0.06%
50,001 - 1,50,000 Cr	0.05%
Above 1,50,000 Cr	0.03%

#### 1.13 **Trustee fees**

The Trustee fees is charged to the scheme at 0.005% p.a. on Net Assets Value.

#### 1.14 **Other Expenses**

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

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

**Notes to Accounts**

<b>2.1 Contingent Liabilities</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Uncalled liability on partly paid shares	NIL	NIL
Other Commitments	NIL	NIL

**2.2 Investments**

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

**2.3 Details of transaction with sponsors and its related parties**

<b>Nature of Relationship</b>	<b>Name of Related Party</b>
<b>Pension Fund Manager</b>	Max Life Pension Fund Management Limited
<b>Sponsor Company</b>	Max Life Insurance Company Limited
<b>Associates and Group Companies</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Holding Company</b>	Max Financial Services Limited Max Life Insurance Company Limited
<b>Key Managerial Personnel</b>	Mr. Ranbheer Dhariwal Mr. Suresh Bhagavatula Mr. Nikhil Kalra (w.e.f 25 July 2023) Mr. Abhishek Bansal Mr. Alkesh Jain Mr. Mayank Sirohi (Till 24 July 2023) Mr. Piyush Soni (Till 30 June 2023)

The following represents significant transactions between the company and its related parties for the period ended March 31, 2023

<b>Nature of Transactions</b>	<b>Period ended September 28, 2023</b>	<b>Period ended September 30, 2022</b>
Investment Management Fees (Including GST)	132	0

Balance with Max Life Pension Fund Management Limited are as follows

<b>Nature of Transactions</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Investment Management Fees Payable (Net of TDS)	21	0

**2.4 Provisions**

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

<b>2.5 Aggregate value of purchase and sale with percentage to average assets</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Average Net Asset Value	2,53,582	4,002
Purchase of Investments	1,04,500	7,900
% to Average Net Assets Value	41%	197%
Sale of Investments	1,000	3,903
% to Average Net Assets Value	0%	98%

<b>2.6 Aggregate value of purchase and sale with percentage to average assets (Excluding Mutual Funds)*</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
Average Net Asset Value	2,53,582	4,002
Purchase of Investments	-	-
% to Average Net Assets Value	0%	0%
Sale of Investments	-	-
% to Average Net Assets Value	0%	0%

\*Liquid and Overnight Mutual Funds investments are generally held for day to day cash management, hence excluded.

<b>Industry Classification</b>	<b>As at September 28, 2023</b>	
	<b>Market Value</b>	<b>% of Industry Classification</b>
Mutual Fund	3,25,581	99.88%
Net Current Assets	401	0.12%
<b>Net Asset Value</b>	<b>3,25,983</b>	<b>100.00%</b>

<b>Industry Classification</b>	<b>As at September 30, 2022</b>	
	<b>Market Value</b>	<b>% of Industry Classification</b>
Mutual Fund	4,002	99.92%
Net Current Assets	3	0.08%
<b>Net Asset Value</b>	<b>4,005</b>	<b>100.00%</b>

Note :

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

2. The total value of investments falling under each industry group which constitute not less than 5% of total investments in the major classification of financials.

<b>2.8 Age wise disclosure for shares/debentures/ other application money pending for allotment</b>				
<b>Security Name</b>	<b>Aging</b>	<b>Aging</b>	<b>As at September 28, 2023</b>	<b>As at September 30, 2022</b>
			NIL	NIL

**2.9 Prior Year Comparative**

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

**NATIONAL PENSION SYSTEM TRUST**  
**NPS TRUST A/C - MAX LIFE PENSION FUND MANAGEMENT LIMITED - SCHEME TAX SAVER TIER II**

**Key Statistics**

S. No.	Particulars	As at September 28, 2023	As at September 30, 2022
<b>1</b>	<b>NAV Per Unit (Rs.)*</b>		
	As on Opening Date	10.2817	10.0000
	High	10.6283	10.0136
	Low	10.2913	9.9996
	End	10.6283	10.0136
<b>2</b>	<b>Closing Assets Under Management ( Rs. In Lakhs)</b>		
	End	3.26	0.04
	Average AAuM	2.54	0.04
<b>3</b>	<b>Gross income as % of AAuM</b>	3.33%	0.14%
<b>4</b>	<b>Expense Ratio</b>		
	a Total Expense as % of AAuM (Scheme wise)	0.05%	0.00%
	b Management Fee as % of AAuM (Scheme Wise)	0.11%	0.11%
<b>5</b>	<b>Net Income as a percentage of AAuM</b>	3.27%	0.14%
<b>6</b>	<b>Portfolio turnover ratio</b>	-	-
<b>7</b>	<b>Returns (%)</b>		
	Last (6 Months)	3.37%	NA
	Last (1Year) - Since launch of the scheme	6.14%	NA
	Benchmark (6 Months)	6.40%	
	Benchmark (1 Year)	9.67%	

1 NAV = (Market value of scheme investments + current assets - current liability and provisions, if any) / (no. of scheme units outstanding)

2 AAuM = (Aggregate of the daily AUM in the relevant FY)/(no. of calendar days in the relevant FY)

3 Gross Income = Total Income as per Revenue Account

4 Total Expenses = Total Expenses as per Revenue Account

5 Management fees (Including applicable Taxes) as per Revenue Account and ratio is annualised.

6 Net Income = Surplus / Deficit as per Revenue Account

7 Portfolio Turnover = Total of sale or purchase, whichever is lower, divided by AAuM.  
(Investment in liquid mutual fund is excluded from the turnover as the same is primarily for liquidity management)

8 Return as presented in point 7 above are absolute return being period less than a year.