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पेंशन निधि विनियामक और विकास प्राधिकरण
PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

nps national pension system #Zaruri Hai

July 2024

पेंशन बुलेटिन

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Acknowledgment

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प्रमाणन

पेंशन बुलेटिन प्रत्येक महीने नीति अनुसंधान, मार्केट वॉच और सिस्टमिक रिस्क विभाग द्वारा, पेंशन बुलेटिन संपादकीय समिति के निर्देशन में जारी किया जाता है। समिति और पीएफआरडीए व्याख्याओं और प्रकट किए गए मतों के लिए उत्तरदायी नहीं हैं। लेखों के मामले में, जिम्मेदारी लेखक की होती है, न कि पीएफआरडीए की।

तिप्पणियाँ और अवलोकन कृपया विभाग को market.watch@pfrda.org.in पर अग्रेषित किए जा सकते हैं।

Glossary

AA	Account Aggregators
AIF	Alternative Investment Fund
DPDP Act	Digital Personal Data Protection Act, 2023
APY	Atal Pension Yojana
ASP	Annuity Service Provider
AUM	Asset Under Management
CAGR	Compounded Annualized Growth Rate
CDD	Client Due Diligence
CFT	Combating the Financing of Terrorism
CIP	Customer Identification Procedures
CKYCR	Central KYC Records Registry
CRA	Central Recordkeeping Agency
CPI	Consumer Price Index
DC	Defined Contribution
Debt-VRR	Debt Voluntary Retention Route
E	Equity and Related Instruments
EPF	Employees Provident Fund
EPFO	Employees Provident Fund Organization
ETF	Exchange-Traded Fund
EU	European Union
FAR	Fully Accessible Route
FBIL	Financial Benchmark India Pvt. Ltd.
FII/FPI	Foreign Institutional Investors/Foreign Portfolio Investors
FIP	Financial Information Providers
FIU	Financial Information Users
FSDC	Financial Stability and Development Council
G	Government Bonds and Related Instruments
G-sec	Government securities
GBP	Pound Sterling
GDP	Gross Domestic Product
GST	Goods and Service Tax
GSTN	Goods and Services Tax Network
HDFC	HDFC Pension Management Company Limited
IGB	Indian Government Bonds
INR	Indian Rupee
IIP	Industrial Production Index
IRDAI	Insurance Regulatory and Development Authority of India
IT Act	Information Technology Act, 2011
KYC	Know Your Customer
LTCG	Long Term Capital Gain
NBFC	Non-Banking Finance Company
NPS	National Pension System
OECD	Organization for Economic Cooperation and Development
PIPE	Private Investment in Public Equity Fund
PoP	Points of Presence
RBI	Reserve Bank of India
REIT	Real Estate Investment Trust
SBI	SBI Pension Funds Private Limited
STCG	Short Term Capital Gain
TATA	Tata Pension Management Limited
USD	United States Dollar
UTI	UTI Retirement Solutions Limited
VCF	Venture Capital Fund
WPI	Wholesale Price Index

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Section 1/खंड 1

Economy/ अर्थव्यवस्था

Indian Economy[1]

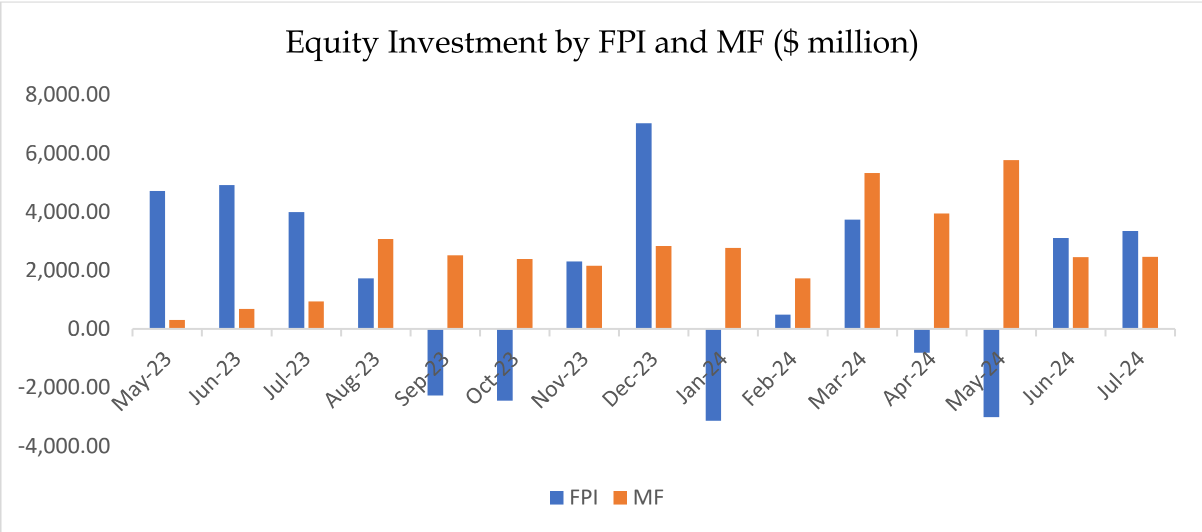
Capital Market

In July 2024, benchmark indices Nifty 50 and S&P BSE Sensex rose 3.9 per cent and 3.4 per cent, respectively. The market witnessed significant inflows from foreign portfolio investors (FPIs) in July from similar strong levels witnessed in June.

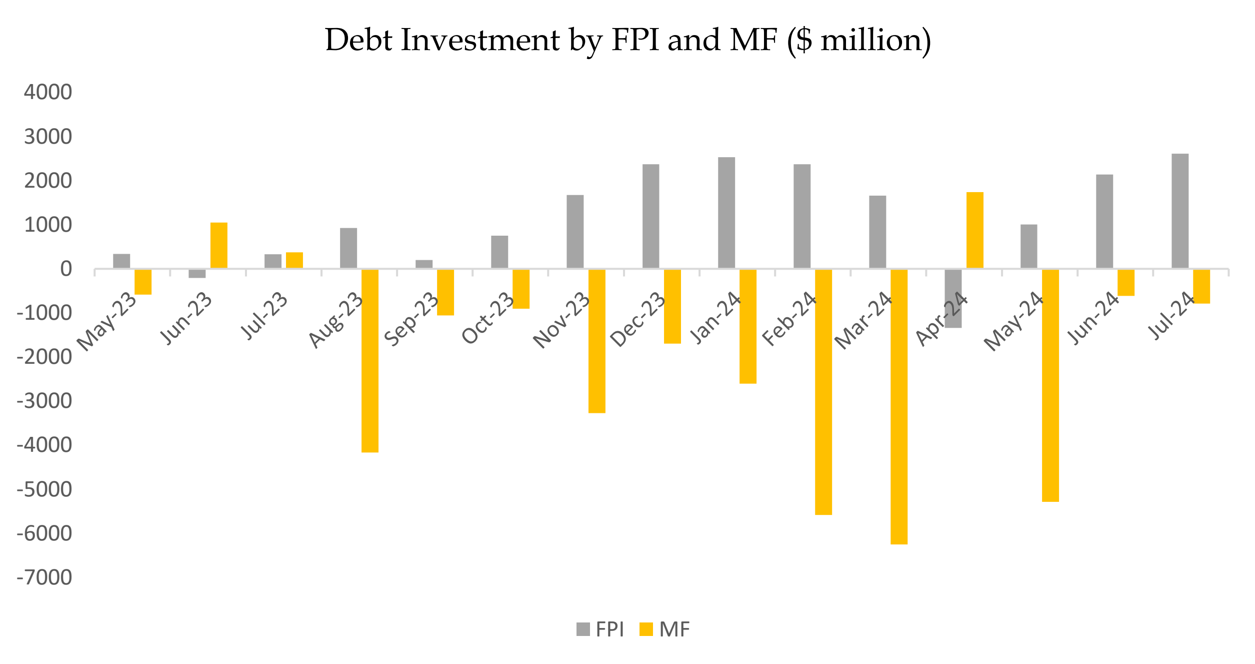
In July 2024, for the second consecutive month foreign portfolio investors (FPIs) had robust positive flows in both the debt and equity markets. The total foreign portfolio inflows were USD 5.2 billion, in July, which was similar to the USD 5.3 billion observed in the month before. In July, FPIs made investment of USD 3.3 billion in equities market. FPI flows in July were rather high until 22 July. However, after the announcement of Union Budget, the trend changed and there were outflows. In contrast to inflows of USD 5.8 billion over the first three weeks of the month, FPIs withdrew USD 0.7 billion between July 24 and July 31. Almost all of the withdrawals were made from equity, with debt investments indicating a positive inflow.

In July, FPI debt investments reached an all-time high of USD 2.6 billion. Debt inflows are anticipated to increase gradually over the next few months as a result of India's inclusion in the JP Morgan government bond index for emerging countries.

The July FPI flows in equity were robust, but the investment of Domestic Institutional Investors (DIIs) has slowed down. DII investments dropped to USD 2.8 billion in July, the lowest level in seven months. With monthly investments ranging from USD 3.1 to USD 6.7 billion, DII investments have been strong over the past six months.



[1] The data used in this section has been taken from CMIE's Economic Outlook and MOSPI.



Bond Market

Across the maturity spectrum, government security (G-secs) yields maintained their declining trend for a second consecutive month. In July, the yield on the 1-year G-sec dropped seven basis points (bps) to 6.91 percent. The 3-year yield dropped 11 basis points to 6.91 percent. G-sec rates with a five-year maturity horizon dropped sharply by 15 basis points to 6.86 percent. The 10-year G-sec yields fell four basis points to 6.96 percent.

For corporate bonds, long-term bond yields decreased while those on short-term AAA rated corporate bonds increased. In July, the yields on corporate bonds with a 1-year residual maturity increased by five basis points compared to June. However, in July, corporate bond yields with three, five, and ten years maturities decreased. The yield on corporate bonds with a three-year maturity declined by 4 basis points, averaging 7.73 percent. The yield on a 5-year bond decreased by 12 basis points to 7.63 per cent. Corporate bonds with a 10-year AAA rating saw a decline of three basis points, averaging 7.67 percent.

Currency Market

In July 2024, the Indian Rupee (INR) fell to a record low vis-a-vis US dollar. The INR has declined against the USD for the second month in a row by losing 0.14 percent over the June rate. In July 2024, the INR averaged Rs. 83.59 per USD. In the first two weeks of July, the INR was trading at about Rs. 83.5 against the USD, but it steadily declined in the weeks that followed. Post Union Budget announcement on 23 July, the INR has stayed between Rs. 83.70 and Rs. 83.74 per USD.

In July, INR depreciated against the other major currencies. It fell 1.1 per cent vis-a-vis pound sterling (GBP), averaging Rs. 107.37 per GBP. In July, the INR fell to its lowest against GBP and Euro. The value of the INR decreased by 0.7 per cent, ending at Rs. 90.59 per Euro. The INR weakend against JPY and averaged at Rs. 0.5292 per Japanese Yen (JPY).

Commodity Market

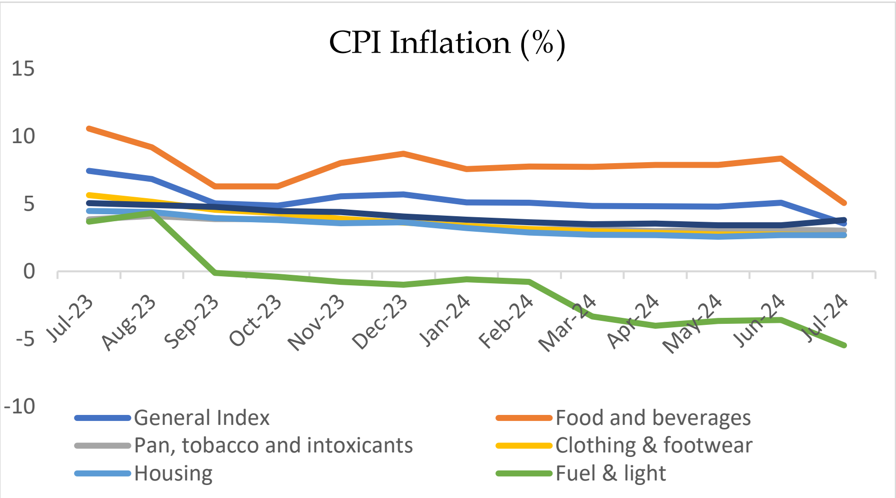
In July 2024, the price of the Indian basket of crude oil rose by 2 per cent, reversing the two months prior trend of declining prices. The average price increased from USD 82.6 per barrel in June to USD 84.2 per barrel in July. Prices stayed over USD 84 per barrel throughout the first two weeks of the month, peaking at USD 88 per barrel on July 5. The average price per barrel was USD 86.4 during the first half of the month. But in the second part of the month, prices dropped, reaching as low as USD 79 per barrel on July 30. In the second part of July, the average price of an Indian basket of crude was recorded at USD 81.9 per barrel.

In July 2024, globally, the London Bullion gold price reached a record high. In July 2024, the average price per troy ounce was USD 2,395.3 a rise of 3 per cent over the average price of the previous month. For the fourth straight month, the price of gold on the international market has been over USD 2,300 per troy ounce. The price per troy ounce was above Rs. 2,400 for ten days and peaked to 2,480 on 17 July.

Inflation

Consumer Price Index Inflation

For the month of July 2024, year-on-year inflation rate based on Consumer Price Index (CPI) is 3.54 per cent, lowest in the last 59 months. Corresponding inflation rate for rural and urban is 4.10 per cent and 2.98 per cent, respectively. Food inflation for July 2024 is the lowest since June 2023. Year-on-year inflation rate based on All India Consumer Food Price Index (CFPI) number is 5.42 per cent for the month of July, 2024. During the month, there is a decline in inflation for all the groups with significant decline in the vegetables, fruits and spices subgroup.



Wholesale Price Index Inflation

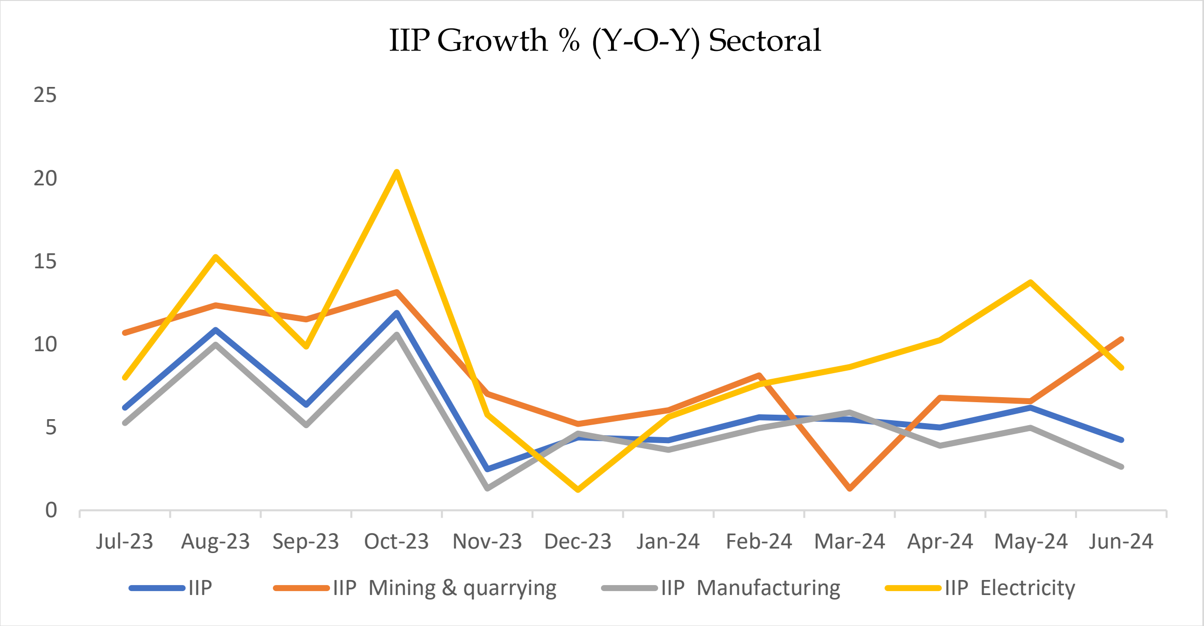
The annual rate of inflation based on all India Wholesale Price Index (WPI) number is 2.04 per cent for the month of July, 2024 (over July, 2023). Positive rate of inflation in July, 2024 is primarily due to increase in prices of food articles, manufacture of food products, mineral oils, crude petroleum & natural gas, other manufacturing etc. Price of Manufactured Products increased year over year by 1.58 per cent in July, 2024. In manufactured products, food products, beverages, tobacco products, wood and wood products and cork registered year over year increase in prices. While manufacturing of non-metallic and mineral products, cement, lime and plaster, mild steel –

semi finished steel, fabricated metal products except machinery and equipment witnessed a decline in year over year price. The rate of inflation (Y-o-Y) based on WPI Food Index stood at 3.55 per cent in July, 2024 from 8.68 per cent in June 2024.

IIP Growth

Sector wise IIP

The IIP growth rate for the month of June 2024 over the corresponding period of previous year is 4.2 percent. The IIP growth rate in June 2023 was 4.0 percent. The growth rates of the three sectors, Mining, Manufacturing and Electricity for the month of June 2024 over June 2023 are 10.3 percent, 2.6 percent and 8.6 percent respectively. Within the manufacturing sector, the growth rate of the top three positive contributors to the growth of IIP for the month of June 2024 are – Manufacture of basic metals (4.9 per cent), Manufacture of electrical equipment (28.4 per cent), and Manufacture of motor vehicles, trailers and semi-trailers (4.1 per cent).



Use based IIP

The growth rates of IIP as per Use-based classification in June 2024 over June 2023 are 6.3 percent in Primary goods, 2.4 percent in Capital goods, 3.1 percent in Intermediate goods, 4.4 percent in Infrastructure/ Construction Goods, 8.6 percent in Consumer durables and -1.4 percent in Consumer non-durables. Based on use-based classification, top three positive contributors to the growth of IIP for the month of June 2024 are – Primary goods, Consumer durables and Infrastructure/Construction goods.

Economic Indicators

Indicators	July-23	Jun-24	July-24	YoY change (%/ bps)
FII Equity Investments (USD billion)	3.99	3.11	3.35	-16.04
Rupees per dollar#	82.15	83.47	83.59	1.75
Rupees per Pound Sterling#	105.81	106.16	107.37	1.47
Rupees per Euro#	90.84	89.89	90.59	-0.28
Rupees per Japanese Yen#	0.5826	0.5286	0.5292	-9.17
Gold (USD/troy ounce)	1948.90	2326.30	2395.30	22.91
Crude Oil (USD/Barrel)	80.20	82.60	84.20	4.99
Weighted Average Call rate (%)	6.42	6.49	6.45	3
Market repo rate (%)	6.50	6.50	6.50	0
G sec 1-year (%)	7.01	6.98	6.91	-10
G sec 10-year (%)	7.10	7.00	6.96	-14
AAA rated corporate bond 10-year (%)	7.69	7.71	7.67	-2
CPI Inflation (%)	7.44	5.08	3.54	-390
WPI Inflation (%)	-1.23	3.36	2.04	327
IIP* (%)	4.00	6.20	4.20	20

** IIP data as on June 2023, May 2024 and June 2024 respectively.*

 # Average Monthly Exchange Rate

Section 2/खंड 2

Management Speaks/ प्रबंधन का वक्तव्य

Pension plan corpus to jump to Rs 15 lakh crore by end of 2024-25[2]

The Pension Fund Regulatory and Development Authority of India (PFRDA) expects the aggregate assets under management under various schemes managed by the regulator, including the National Pension System (NPS) and Atal Pension Yojana, to reach around ₹15 lakh crore by the end of 2024-25.

"The combined corpus (assets under management) is close to ₹12.5 lakh crore (end of June). Of course, the corpus will depend on how the market is performing. If the market is performing normally as expected, we expect the corpus to be ₹15 lakh crore by March 31, 2025," Deepak Mohanty, chairperson PFRDA told The Telegraph.

According to data from NPS Trust, the AUM as of March 31 was ₹11.7 lakh crore, representing an expected year-on-year growth of around 28.2 per cent for 2024-25.

The growth in AUM would be supported by increasing the subscriber base. The total subscriber base under schemes regulated by PFRDA was around 7.5 crore as of the end of June. "Last year we enrolled 1.22 crore subscribers under Atal Pension Yojana. This year we are planning to enroll around 1.3 crore subscribers," said Mohanty.

"In the private sector we onboarded 9.7 lakh subscribers last year. This year we are targeting around 11 lakh for the private sector," he said.

Mohanty said there would be an increasing requirement of pension and social security with the anticipated rise in old age population. "At present, every 10th person is over 65 years in our population. By the middle of the century, every fifth person would be over 65 years. So the old age population will increase," he said.

Data from PFRDA shows that Bengal was the second largest in terms of gross enrolments in Atal Pension Yojana in 2023-24 with 49.2 lakh enrolments. Bihar has the highest at 62.2 lakh enrolments. The Atal Pension Yojana is a low cost, low contribution pension scheme aimed towards the informal and unorganised sector.

Mohanty also said that the systematic lumpsum withdrawal facility has garnered interest among subscribers. NPS subscribers can withdraw up to 60 per cent of their total pension corpus in instalments until a subscriber turns 75.

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[2] *The Telegraph Online, Calcutta, Published 06.07.24*

Section 3/खंड 3

Article/लेख

When Seeing Isn't Believing: The Power of Social Pressure

Shri Prodeepto Chatterjee [3]

The Experiment

A simple, yet extremely interesting and classic experiment in social psychology was carried out in 1951 - trying to visually determine the lengths of lines and finding their equals. The experiment was carried out at Swarthmore College, Pennsylvania USA by Prof. Solomon Asch, a Polish American social psychologist (Asch 1951, 1955). Most importantly, more than the *seen results* of the experiment, the *unseen and derived conclusions* are what's this is all about!

The experimental setup was simple- four lines on two cards (fig.1). The test, proposed as visual acuity test to the 8 participants, was to determine as to which of the three lines- A, B or C- was close to or equal to X. As can be observed, the correct answer in the present setup was B.

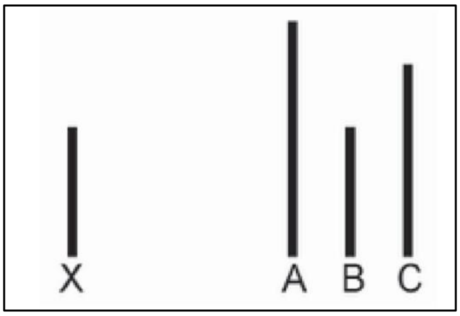

Fig.1 – Experimental setup

The said experimental setup was used again and again with varying line lengths and the correct line changing its position in each setup. A group of observers were called for the test. Each participant was asked to answer as to which line out of A, B or C, was the closest in length to the line on the left card. They were expected to announce their answers loudly for all others to hear. However, unbeknownst to the 7th participant, who was the real "critical subject" of the experiment, the rest of the observers were all "confederates" of the experimenter.

In the initial rounds, the confederates and the subjects, gave almost correct answers.

Then followed the real "test".

The 6 confederates before the subject participants started picking up the wrong options and announced them loudly- for eg. A or C in the above setup diagram. The reason for placing the subject at the 7th position was also deliberate- by the time the subject's turn comes to respond, the responses of majority members of the group are already known.

The unanimous wrong choice and its loud assertion was also intentional. The purpose- to see whether the subject, even though he could see the correct answer, goes with the majority and modifies his/her choice. Basically, the con was to see whether the subject disbelieves his/her own eyes! The results were quite revealing- approx. 75% of the participants answered wrong at least once and 37% went along with the group.

Fig 2- Conformity

Image source- https://sproutsschools.com/aschs-conformity-experiment-can-you-withstand-groupthink/

[3] The author of the article is Sh. Prodeepto Chatterjee, Assistant General Manager, PFRDA. The views expressed in the article are personal and do not necessarily represent that of the Authority.

Evidently the peer pressure of the confederates led to the distortion of the subject's judgement and influenced the decision flip. Participants changed their answer to conform to how the others in the group responded. The experiments revealed the degree to which a person's own opinions are influenced by those of a group. The experiments also looked at the effect that the number of people present in the group had on conformity. When just one confederate was present, there was virtually no impact on participants' answers. The presence of two confederates had only a tiny effect. The level of conformity seen with three or more confederates was far more significant (fig. 2).

The said experiment has now been named as the Asch Conformity Experiments (IGNOU n.d.). Although heavily critiqued (Mcleod 2023) - biased sample (all males of same age group), lacking ecological validity & generalizability, the Asch conformity experiments are among the most famous in psychology's history and have inspired a wealth of additional research on conformity and group behaviour. This research has provided important insight into how, why, and when people conform and the effects of social pressure on human behaviour.

The curious case of Conformism

Conformity (Coultas and Van Leeuwen 2015) is the tendency to adjust one's behaviour, beliefs, or opinions to align with those of a group. While the term "conformity" is often associated with human behaviour, it extends far beyond our species. In the animal kingdom, conformity is prevalent in primates like chimpanzees, capuchin and vervet monkeys.

Conformity has thus evolved as a fundamental aspect of human nature due to its adaptive value in promoting learning, survival, reproduction and cultural & knowledge transmission. It's a powerful social force that can drive both positive and negative outcomes.

Conformity is influenced by several factors, including social pressure, the desire for acceptance, and fear of rejection. People often conform to fit in with a group or avoid isolation. In uncertain situations, individuals look to others for guidance, leading to conformity. Cultural norms and situational factors, especially in collectivist societies, emphasize group cohesion, increasing conformity. Authority figures and strong group dynamics also play a role, as do personal traits like low self-esteem and the need for social approval.

While we are discussing Conformity, it is pertinent that we understand two other interconnected psychological phenomena that often influence individual and collective behaviour - Preference Falsification and Bandwagon effect. Preference falsification (Kuran 1995), a concept notably explored by economist Timur Kuran, is a social phenomenon where individuals misrepresent their true preferences or opinions in public due to social pressures or the fear of repercussions or other negative consequences. This behaviour is often driven by the desire to conform to group norms. It can lead to a distorted perception of public opinion, as people's expressed preferences may not accurately reflect their true beliefs. On the other hand, Bandwagon effect (sometimes also referred to as contagion effect) (Schmitt-Beck 2015) is a psychological phenomenon and cognitive bias where people do or commit to something primarily because many others are doing it. The bandwagon effect operates through a self-reinforcing cycle, spreading rapidly and widely via a positive feedback loop—where the more people who are influenced by it, the more likely others will be influenced as well.

The combination of conformity, preference falsification, and the bandwagon effect can have significant implications for individuals and society. Conformity creates a social pressure to align with the majority, which can lead to preference falsification as individuals hide their true opinions. When a significant number of people adopt a particular behaviour or belief, the bandwagon effect takes hold through a positive feedback loop, further reinforcing conformity and potentially increasing the pressure to falsify preferences.

On a positive note, these phenomena can facilitate social cohesion and cooperation. However, they can also lead to irrational decision-making, groupthink and the suppression of dissenting opinions. And the world did witness the gory impact of their interplay during many episodes of ethnic cleansing during the 20th century- the Holocaust during WW 2 (1941-45) (Berenbaum 2024) and the Rwandan genocide (1994) (Britannica 2024), to name a few. In many of the episodes highlighted, the perpetrators argued that "they were simply following orders or conforming to the norms of the respective regime". This defence reflects that the powerful role of conformity and the desire to fit in can compel people to conform to destructive ideologies, even when they conflict with personal morals. Most importantly, the interplay doesn't only impact the political and social arena but has deep impacts on finance and economics- at individual level as well as at macro level.

Conformity and Financial Bubbles: A Perfect Storm

Financial bubbles characterized by rapid price increases followed by sudden crashes, are often fuelled by psychological factors of the underlying investors, with conformity being one of the most critical. Historically, financial bubbles illustrate how group behaviour can drive markets to irrational extremes. One framework, the Kindleberger–Minsky model (Mehrling 2023) takes a conceptual approach by separating the rise and burst of a speculative bubble into five phases- (1) displacement (2) boom (3) euphoria (4) financial distress and (5) revulsion (Fig. 3).

The model can be understood as follows- Someone starts telling an exciting story. At first, only a few people are listening (*displacement*), but as the story gets more exciting, more and more people gather around (*boom*). Everyone's excited, laughing, and cheering (*euphoria*). But suddenly, the story ends in a weird or unexpected way and people start feeling unsure or scared (financial *distress*). Then, everyone quickly leaves the party, and it ends in a big mess (*revulsion*).

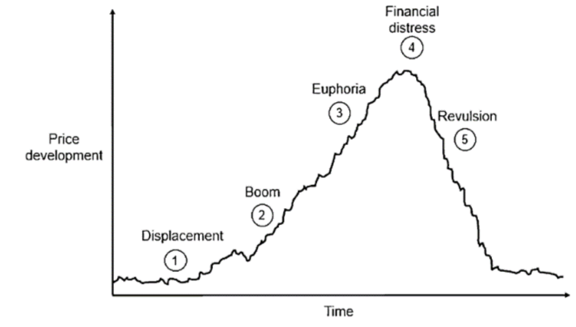

Fig.3- Kindleberger Minsky bubble pattern (illustrative)

One of the primary reasons for conformity in financial markets is the pressure to conform to the perceived wisdom of the majority. Conformity plays a significant role in the emergence and expansion of financial asset bubbles plays out in the form of

- Information Cascade: As investors see others buying, they assume these investors possess superior information, leading them to follow suit, creating an information cascade, where everyone acts on the same information, regardless of its accuracy.

- Social Proof: The success of early investors becomes proof, reinforcing the belief that investing in the asset is a profitable strategy, attracting more investors, further inflating the bubble.

- Fear of Missing Out (FOMO): Fear of missing out on potential gains can also drive investors to conform to the prevailing market sentiment, exacerbating the bubble.

- Bandwagon Effect: As prices rise, more investors join the bandwagon, creating a self-fulfilling prophecy where the asset's value seems to justify its ever-increasing price.

Inevitably, financial bubbles burst. As investor confidence wanes and asset prices become increasingly detached from fundamentals, a correction becomes inevitable. Yet again, conformity plays a role here:

- Panic Selling: When investors realize that asset prices are unsustainable, a wave of panic selling can occur, leading to a rapid decline in prices.

- Bandwagon Effect (in reverse): As prices fall, more investors sell, creating a downward spiral.

Deep impacts of Conformity in financial context

Conformity and herd behaviour are powerful forces in financial markets. As more investors jump on the bandwagon, the perceived legitimacy of the bubble increases, further fuelling price rises. This is often accompanied by media hype, expert endorsements, and the spread of success stories, all of which contribute to the illusion of a "new normal".

India's first major tryst with a financial bubble came in the form of the infamous Harshad Mehta Scam of 1992 (India Today 2020). Harshad Mehta, a stockbroker, exploited loopholes in the banking system to manipulate stock prices. By using funds from inter-bank transactions, he artificially inflated the prices of selected stocks. Investors, seeing these stocks soar and the success of the early investors (social proof), were driven by greed and the desire to not miss out on the apparent windfall, leading to a massive influx of capital into these stocks. This conformist behaviour, where investors ignored the fundamentals and followed the herd, fuelled the bubble *(displacement, boom, euphoria).* The scam eventually unravelled, leading to a market crash that wiped out significant wealth. The fallout from the bubble burst was severe, shaking the confidence of investors *(financial distress, revulsion)*. On a positive note, the said scam lead to major overhaul and reforms in the Indian financial system.

In the most recent context, the sharp increase in Indian retail investors entering the stock market, fuelled by growing media hype and endorsements from experts, financial influencers and celebrities is an odd reminiscent of this trend. Despite the fact that 90% of individual traders in the equity F&O segment experience losses (SEBI 2023), the number of de-mat accounts being opened and trading in the F&O has surged significantly (Patnaik 2023).

Young people, eager to make quick money or achieve financial freedom, are trading in stock futures and options—two popular types of derivatives—at an unprecedented rate. The widespread availability of smartphones, affordable data plans, supportive KYC policies, and trading apps offering nearly free trading have driven the financial literacy starved young Indian middle class to flood the stock and derivatives markets, driven more by greed, than by wisdom. This has disturbed the government and the financial regulators both. Increasing speculation in the derivatives space can morph into a macro issue that may have serious repercussions for the broader economy since household savings, rather than going into capital formation, are being diverted for speculative bets through the futures & options segment of the market (Times News Network 2024).

Reducing Conformity in Investing

Reducing conformity in financial investing is crucial for individuals to make more informed and independent decisions. Conformity can lead to herd behaviour, where investors follow trends without critical evaluation, potentially resulting in suboptimal or risky investment choices. Here are several strategies to reduce conformity in financial investing:

1. Educate yourself: The more informed an investor is, the less likely they are to rely on the crowd. Understanding the fundamentals of markets, different asset classes, and financial instruments allows investors to critically evaluate their options. Engaging in educational activities and staying updated on financial news and trends can help individuals make more informed decisions based on facts rather than following the herd.

2. Have your own investment strategy: Define personal financial goals, risk tolerance, and investment horizon. A clear plan tailored to individual needs can help resist the pressure to conform to what others are doing. A well-diversified portfolio which can include different asset classes, industries, and geographies, reduces the impact of any single market trend.

3. Do independent research: Before following a market trend, perform independent research to understand the underlying reasons. Consider whether the trend aligns with personal investment goals and risk tolerance. Rely on various information sources rather than just following popular media, celebrity endorsers, financial influencers or advice from friends. Cross-check facts and opinions to form a more balanced view.

4. Avoid social media for investment advice: Social media and online forums can amplify herd behaviour. Limiting time spent on these platforms for investment advice can help avoid conformity. Actively seek out opinions that differ from the mainstream view. This can provide a broader perspective and help identify potential risks that others might overlook.

5. Stay calm during market volatility: Markets, by their very nature, can and will, be volatile, and it's easy to get swept up in the panic or euphoria of the moment. Staying calm and sticking to your investment strategy can prevent impulsive decisions based on conforming to other people's activities. Periodically review your portfolio to ensure it aligns with your goals and strategy. Avoid making changes based solely on short-term market movements or popular opinion.

6. Consult with a Financial Advisor: A qualified financial advisor can provide personalized advice and help investors make decisions based on their specific situation, rather than following what others are doing. Don't hesitate to question or challenge the advice given by your advisor. This ensures that the advice is well-reasoned and in your best interest, rather than just following market trends.

By adopting these strategies, individuals can foster a more independent, thoughtful, and disciplined approach to investing, reducing the impact of conformity and increasing the likelihood of achieving their financial goals.

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Section 4/खंड 4

International Section/ अंतर्राष्ट्रीय खंड

Pension System in South Korea

South Korea is expected to become the country with the highest share of people aged 65 years or older in the world in 2044. South Korea's population aged 65 or older will reach 37.0 percent in 2044. For providing financial security to its aging population, South Korea has reformed various dimensions of its pension system since introduction of private sector pensions in 1988 and designed a multifaceted structure to deal with the challenge of aging population and high levels of poverty amongst the elderly.

South Korean pension system consists of a partially funded defined benefit system, old-age safety nets, an occupational scheme, and voluntary private savings.

Structure of the South Korean Pension System

South Korea's pension system can be mapped to the World Bank's five-pillar framework for pension systems –

Pillar 0	Basic Pension
Pillar 1	National Pension Scheme
Pillar 2	Employer Based Retirement Pension Plans
Pillar 3	Individual Retirement Pension and Personal Pension Plans

1. Basic Pension

Basic Pension program is a non – contributory, social assistance program which was introduced by South Korea in 2014 to give a flat rate payment to the poorest 70% of the elderly i.e. those aged 65 and above in order to prevent old age poverty. It is funded from the general tax revenue.

2. National Pension Scheme - NPS

The National Pension Scheme, established in 1988, is the cornerstone of South Korea's pension system. It is a mandatory, defined-benefit scheme that covers all citizens aged 18 to 59, including employees, self-employed individuals, and farmers. The NPS is designed to provide a basic level of income for retirees, replacing a portion of their pre-retirement income.

The NPS operates on the pay-as-you-go basis, meaning that current contributions are used to pay for current benefits, with a portion of contributions also being invested to fund future liabilities. The contribution rate is set at 9% of an individual's income, split evenly between the employer and employee. The NPS is a defined benefit scheme with a strongly redistributive benefit formula in which the accrual has two equally weighted components: one is based on the average income of all participants while the other is calculated based on individual contribution records. Thus, the goal is to reduce the income gap between retirees, so even those who didn't earn much still get a decent pension

Further, South Korea has three special regimes in place covering civil servant (Government Employees Pension Scheme, GEPS), the military (Military Personnel Pension Scheme, MPPS), workers in private schools (Private School Teachers Pension Scheme, PSTPS) and workers in the Special Post Offices (Special Post Office Pension Scheme, SPOPS). These are defined benefit pension plans with guaranteed pension benefits based on years of service, salary, rank etc.

3. Occupational Pensions

- Retirement Pension Plans

In addition to the NPS, South Korea's retirement pension system consists of employer based corporate pension plans, which are either defined benefit (DB) or defined contribution (DC) plans. Employers can establish these plans as an alternative to the severance pay system, which traditionally provided a lump sum payment to employees upon retirement. The retirement pension plans offer a more structured and reliable source of income during retirement. As at 2019, 27.5% of workplaces in Korea had retirement pension plans for their employees.

- Severance Pay System

The severance pay system, though technically distinct from the pension system, functions as a quasi-pension plan for many workers. Under this pension system, employees receive a lump sum payment upon leaving a job, based on their final salary and years of service. This system has been gradually transitioning to more formal retirement pension plans, but remains an important aspect of retirement security for many South Korean workers.

4. Private Pensions

- Voluntary Private Pensions

In addition to the mandatory NPS and employer-based retirement plans, individuals can also participate in private pension plans. These plans are voluntary and typically include personal pension accounts, life insurance policies with retirement benefits, and other savings schemes. They are designed to supplement the income provided by the public and occupational pensions.

Recent Reforms and Current Status

South Korea's pension system has undergone several reforms to address the challenges posed by its rapidly aging population. Key reforms include:

1. Gradual increase in retirement age

South Korea increased the retirement age from 58 to 60 years in 2017, keeping in view the increasing life expectancy.

2. Adjustment of Contribution Rates and Benefits

The government has periodically adjusted contribution rates and benefits to ensure the financial viability of the NPS. Reforms have also focussed on adjusting the formula for calculating benefits to maintain a balance between the income adequacy of the retirees, replacement rate and sustainability of the NPS scheme.

South Korea has also taken steps to diversify the investments of the National Pension Fund to improve returns to improve long term sustainability of the fund.

3. Enhancing Coverage and Participation

Efforts have been made to increase coverage under the NPS, particularly for non-regular workers and the self-employed, who have historically been excluded from the pension system or had limited coverage. The government has also implemented policies to encourage higher participation rates in voluntary private pensions.

Further, through tax incentives such as treating contributions to the NPS as tax deductible, treating employer contribution to employer-based retirement pension plans as business expense and hence, tax deductible, lower tax rates on retirement income etc. South Korea aims to encourages individuals to contribute to pension plans. Conclusion

South Korea's pension system is an evolving structure designed to provide income security for its aging population. The system is built on multiple pillars, including the National Pension Scheme, occupational pensions, and voluntary private pensions. While the Korean system has made significant strides in recent decades, it faces ongoing challenges related to demographic changes, income inequality, and financial sustainability. Continued reforms and careful management of pension funds will be essential to ensure the system can meet the needs of future generations.

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Section 5/ खंड 5

Did You Know?

क्या आप जानते हैं?

Excerpts: Economic Survey 2023-24: Outlook

Chapter 1: STATE OF THE ECONOMY: STEADY AS SHE GOES

- IMF projects the global economy to grow at 3.2 per cent in 2024, with risks being broadly balanced. The average annual global growth was 3.7 per cent during the decade ending FY20.

- Inflationary pressures have moderated in most economies with declining global commodity prices and easing of supply chain pressures. However, core inflation remains sticky and driven by high service inflation. Many central banks have hinted at the peaking of the interest rate hike cycle. A likely reduction in policy rates by central banks of AEs, especially the Fed, will open the space for central banks of EMEs to follow the lead, bringing down the cost of capital.

- Any escalation of geopolitical conflicts in 2024 may lead to supply dislocations, higher commodity prices, reviving inflationary pressures and stalling monetary policy easing with potential repercussions for capital flows. This can also influence RBI's monetary policy stance. The global trade outlook for 2024 remains positive, with merchandise trade expected to pick up after registering a contraction in volumes in 2023. Global financial markets have scaled new heights, with investors betting on global economic expansion.

- Hiring in the information technology sector had slowed down considerably in FY24, and even if hiring does not decline further, it is unlikely to pick up significantly.

- Despite the core inflation rate being around 3 per cent, the RBI, with one eye on the withdrawal of accommodation and another on the US Fed, has kept interest rates unchanged for quite some time, and the anticipated easing has been delayed.

- Domestic growth drivers have supported economic growth in FY24 despite uncertain global economic performance. Improved balance sheets will help the private sector cater to strong investment demand. Private capital formation after good growth in the last three years may turn slightly more cautious because of fears of cheaper imports from countries that have excess capacity. While merchandise exports are likely to increase with improving growth prospects in AEs, services exports are also likely to witness a further uptick. A normal rainfall forecast by the India Meteorological Department and the satisfactory spread of the southwest monsoon thus far are likely to improve agriculture sector performance and support the revival of rural demand.

- The Survey conservatively projects a real GDP growth of 6.5–7 per cent, with risks evenly balanced, cognizant of the fact that the market expectations are on the higher side.

Chapter 2: MONETARY MANAGEMENT AND FINANCIAL INTERMEDIATION: STABILITY IS THE WATCHWORD

- Domestic credit to the private sector as a per cent of GDP rose from 50.6 per cent in 2010 to 54.7 per cent in 2021.
- Gross and Net NPAs of SCBs have been declining over time, accompanied by an improvement in CRAR, RoA and RoE.
- Despite heightened geopolitical uncertainty, India's stock markets have been stable.
- India's financial sector needs to support capital formation and promote trade, business, and investments in MSMEs, enabling them to scale.
- The share of insurance and pension fund assets in GDP stands at 19 per cent and 5 per cent, respectively, in India, compared to a high of 52 per cent and 122 per cent in the USA and 112 per cent and 80 per cent in the UK, leaning scope for further improvements.
- The next big step in the coming years is likely to be towards Artificial Intelligence/ Machine Learning (AI/ML), Decentralised Finance, Internet of Things (IoT), etc., which have a vast potential to disrupt the digital payments ecosystem. Further, the vision is for India to evolve as a 'fintech nation' with the highest number of fintech firms and the highest fintech adoption rate by incumbents fuelled by digital public infrastructure.
- An approach should be evolved for common user data, e.g. KYC, across Regulators.
- In the medium term, efforts should be made to move towards data-based lending instead of judgment-based lending, especially for small businesses. There is a need for continuous review to identify regulatory gaps/overlaps and benchmark them with the best global practices. Financial sector firms – public or privately owned – must become customer-centric.
- The Indian financial sector is at a turnpike moment. The dominance of banking support to credit is being reduced, and the role of capital markets is rising. As India's financial sector undergoes this critical transformation, it must also brace for likely vulnerabilities and prepare itself with regulatory and government policy levers to intervene and hedge, as required.

Chapter 3: PRICES AND INFLATION: UNDER CONTROL

- The RBI and the IMF have projected that India's consumer price inflation will progressively align towards the inflation target in FY26.
- Assuming a normal monsoon and no further external or policy shocks, the RBI expects headline inflation to be 4.5 per cent in FY25 and 4.1 per cent in FY26. IMF has projected an inflation rate of 4.6 per cent in 2024 and 4.2 per cent in 2025 for India.
- The World Bank expects that the global supply of commodities will increase, and so will their demand due to improved industrial activity and trade growth. It projects a 3 per cent decline in the commodity price index in 2024 and a 4 per cent decrease in 2025, mainly driven by lower energy, food and fertiliser prices.
- The energy price index is expected to reduce due to significant declines in coal and natural gas prices this year. Fertiliser prices are likely to weaken but remain

above 2015-2019 levels due to strong demand and export restrictions.

- Base metal prices are projected to rise, reflecting increased global industrial activity and clean energy production.
- In general, the current downward movement in the prices of commodities imported by India is a positive for the domestic inflation outlook.
- FY24 witnessed swift and effective administrative action by the Government to deal with price flare-ups in specific items.
- The high-frequency price monitoring data for essential food items collected by different departments may be linked in such a way that the build-up of prices at each stage from the farm gate to the final consumer is quantifiable and monitorable.
- The ongoing efforts to construct the producer price index for goods and services may be expedited to have a greater grasp of episodes of cost-push inflation.
- Considering that the results of the household consumer expenditure survey, 2022-23 of MoSPI, it may be appropriate to expeditiously revise the consumer price index with fresh weights and item baskets.

Chapter 4: EXTERNAL SECTOR: STABILITY AMID PLENTY

- Though ongoing geopolitical headwinds impacted India’s merchandise exports, lowering international commodity prices ensured a lower trade deficit in FY24 than in FY23.
- A narrowing merchandise trade deficit and rising service exports have improved the CAD, ending with a surplus of 0.6 per cent of GDP in Q4 of FY24. In the coming years, India’s trade deficit is expected to decline further as the PLI scheme is expanded and India creates a globally competitive manufacturing base in several product categories. Further, the recently signed FTAs are expected to increase the global market share of the country’s exports. Various international agencies and RBI expect the CAD to GDP to moderate to below one per cent for FY24, driven by growing merchandise and services exports and resilient remittances.
- However, the risks to the performance of India’s external sector are on the downside due to the persistence of current geopolitical tensions and policy uncertainty.
- Changes in trade policies by major trading partners or geopolitical developments can affect India's export opportunities and market access.
- Policies need to be a mix that straddles security concerns with economic considerations. India’s push towards manufacturing in complex and niche sectors through schemes such as PLI and Make in India aims to balance these goals. On the other hand, India’s edge in services will catalyse our globalisation over the coming years.
- India is simultaneously working towards unlocking the potential gains from growing integration by augmenting the logistics front.

- Ultimately, India needs to focus on improving its competitiveness in many product areas.

Chapter 5: MEDIUM TERM OUTLOOK: A GROWTH VISION FOR NEW INDIA

- In its April 2024 World Economic Outlook, the IMF has raised India's growth forecast for 2024-25 to 6.8 per cent from 6.5 per cent on the back of strong domestic demand and a rising working-age population, making India the fastest-growing G20 economy.
- India has graduated from being a low-income country to a low-middle-income country. As it journeys further towards middle and upper middle-income status, aspirations of the people keep rising.
- There need to be innovative financing instruments that can help mobilise private capital towards India's transition efforts.
- Sustaining and accelerating India's progress in the face of evolving challenges requires dedicated investment in state machinery to reinvent and reinvigorate itself.

Chapter 6: CLIMATE CHANGE AND ENERGY TRANSITION: DEALING WITH TRADEOFFS

- As India aims to achieve its ambitious growth targets, it faces the dual challenge of meeting energy demands while reducing carbon emissions. Given the close linkage between energy consumption and various social indicators, the Government has a priority to ensure access to sustainable and clean energy sources. Non-fossil fuel sources are critical to India's ambitious NDCs and Net Zero commitment. However, phasing in of non-fossil sources has its challenges – intermittency related to renewables, handling of nuclear and solar panel waste, implications of biofuel production on food security, etc. Depending on the evolving and ambitious NDC targets and the objective of ensuring energy security, it is amply clear that India needs to target a diversified set of energy sources. Such diversification will help minimise risks associated with energy systems while pursuing low-emission pathways in line with national commitments. The integration of renewables, alongside exploring nuclear energy and biofuels, presents a path towards achieving these objectives. This will also include a significant role for thermal power, especially coal-based power plants, in providing base-load to support largescale deployment of renewables.
- India's successful renewable energy growth story is well-established. Solar power installed capacity has increased drastically by over 25 times between 2014 to 2023. However, several risks are associated with the large-scale phasing-in of renewables, such as intermittency, grid integration, backup power generation, storage, etc. It is important to supplement with other non-fossil fuel sources such as Nuclear, Biofuels, and Hydrogen.
- There is a need to enhance international cooperation in R&D, especially in the domains of distributed RE, offshore wind, geothermal, tidal energy, biofuels, Compressed Bio Gas, green hydrogen, energy storage, electrolysers, and nuclear power (including Small Modular Reactors SMR).

- Availability, affordability, and accessibility of financial resources will drive the green transition.
- While India has relied upon its resources so far, it is vital that resources from developed countries and mobilised by the latter flow to the developing countries in line with the objectives of the UNFCCC and its Paris Agreement.

Chapter 7: SOCIAL SECTOR: BENEFITS THAT EMPOWER

- The Indian economy is moving forward with a reformed approach to welfare, focused on empowerment, efficiency in the delivery of services, and participation of the private sector and civil society. In terms of outreach, the saturation of basic necessities has been recognised as the first step to productive participation of every citizen in the economy, imperative for sustained medium-term growth. In terms of efficiency, the digitisation of healthcare, education and governance is a force multiplier for every rupee spent on a welfare programme.
- Women-led development is emanating from their social, economic, and political empowerment, occurring through a constructive intermingling of policy and social change. Nevertheless, much scope remains to enhance asset ownership among women, with significant intrinsic and instrumental gains of fairness and economy to be secured.
- Better quality of life in the hinterland is being reinforced by a host of enabling programmes.
- The self-help movement has come far in terms of its outreach, and the social capital stands to gain from professional assistance in marketing and management. To provide a fillip to rural enterprises, RSETI can be utilised as district hubs of skill development and enterprise.

Chapter 8: EMPLOYMENT AND SKILL DEVELOPMENT: TOWARDS QUALITY

- The employment situation in India has experienced a positive transformation over the last decade, with notable achievements in formalisation, skill development, entrepreneurship, industry diversification, and inclusive growth. These trends and the country's commitment to technological advancement and infrastructure development have positioned India as a dynamic and resilient player in the global job market. The Government is striving to nurture the foundations of employment creation by creating an ecosystem of ease of doing business, lower logistical costs, meaningful skill development, and easy credit for entrepreneurship.
- Nevertheless, there remain long-existing challenges of formalising a burgeoning workforce, facilitating job creation in sectors which can absorb workers shifting from agriculture, and ensuring social security benefits for those in regular wage/salaried employment. The state governments can grease the wheels of hiring by businesses by easing the compliance burden and reforming laws on land, etc., to suit the priorities of development.
- The agro-processing sector lies at the overlap of India's requirements of productive, intermediate, and large-scale job creation for rural youth and women,

with rich dividends to reap from the convergence of schemes and a mission-mode unwavering focus at a national scale.

- In their fascination for AI and fear of erosion of competitiveness, businesses have to bear in mind their responsibility for employment generation and the consequent impact on social stability. With respect to skilling too, it is a priority that lends itself to market-based solutions.

Chapter 9: AGRICULTURE AND FOOD MANAGEMENT: PLENTY OF UPSIDE LEFT IF WE GET IT RIGHT

- The performance of the agriculture sector remains critical for the economy's growth and has been growing at an average growth rate of 4.18 per cent over the last five years. Once the incomes of smallholders increase, they will demand manufactured goods, spurring a manufacturing revolution.
- Efforts must be made to encourage production patterns and practices in various geographies that are consistent with their agro-climatic characteristics and natural resources. Research and development and promotion of digital technologies in agriculture, as well as improving the quality of seeds, including promoting organic and natural farming, can play a significant role in the realisation of sustainable agriculture practices that efficiently improve farm income and influence farmer behavior.
- Enhancing private sector investment in agriculture is vital to provide impetus to the agriculture sector. Investment in technology, production methods, marketing infrastructure, and reduction in post-harvest losses need to be scaled up.
- A greater focus on post-harvest infrastructure and the development of the food processing sector can reduce wastage/loss and increase the length of storage, ensuring better prices for the farmers. Productivity of the crop sector can also be enhanced through greater investment, including from the private sector.
- E-NAM, promoting FPOs, and allowing cooperatives to participate in agri-marketing can improve the market infrastructure and allow better price discovery.

Chapter 10: INDUSTRY: SMALL AND MEDIUM MATTERS

- Over the last decade, there has been a significant realignment of output shares among industrial segments. Sectors like chemicals, wood products and furniture, pharmaceuticals, transport equipment, steel and machinery and equipment have gained in strength. On the other hand, sectors like textiles, food products, beverages and tobacco and petroleum products and leather lost their relative positions.
- The export-import balance of different industrial segments has vastly varied over the last few years.
- The medium-term outlook on the demand for capital goods and key construction inputs like steel and cement is likely to be positive, as there are clear signs that capital formation in the private sector is gathering momentum. Global uncertainties raise question mark on export demand and the domestic cost of

production due to dependence on critical imported inputs like coal, petroleum, steel and machinery.

- Government has taken many recent initiatives to improve ease of doing business, reduce compliance burden and to alleviate logistic and infrastructural bottlenecks. The PLI schemes for key sectors have attracted significant investments, boosted production, sales and exports and generated jobs, particularly in the case of white goods.
- The path to further industrialisation in India is paved with deregulation.
- Commitment to R&D must be in the DNA of the industry, independent of any fiscal incentive, since it is about global competitiveness and profitability. With active collaboration between industry and academia and emphasis on vocational education in curriculums, India can meet the skill shortage more effectively than hitherto.

Chapter 11: FUELLING GROWTH OPPORTUNITIES

- The digitisation of services, coupled with appropriate policy nudges, kept progressively transforming the nature of service delivery almost irreversibly during the early part of the last decade.
- India's services exports are diversifying beyond software to include Human Resources (HR), legal, and design services in line with emerging global demands. Thus, two significant transformations are reshaping India's services landscape: the rapid technology-driven transformation of domestic service delivery and the diversification of India's services exports.
- The country is emerging as a hub for Global Capability Centres. Domestically, start-ups drive innovation, improving access to credit, raw materials, and markets. Aided by the deep technology ecosystem and the consistent policy push, many technology start-ups are digitizing manufacturing and other services.
- The post-production value addition in activities is also increasingly dependent on services like e-commerce, innovative packaging and advertisement and modern logistics services.
- As India looks forward to creating millions of jobs by 2030, dovetailing this transformation in the demand-supply dynamics of services is pivotal to meeting the hiring requirements in the medium term. The emerging job demands in the services sector entail greater and more focussed skills.
- Focus areas should include blockchain, AI, machine learning, Internet of Things, cybersecurity, cloud computing, big data analytics, augmented reality, virtual reality, 3D printing, and web and mobile development. Thus, the immediate task of the skilling programme in India is to plan and equip itself to meet these requirements adequately.
- In the short run, tentative global economic outlook and commodity price uncertainties present a serious challenge to input costs and demand for services. Thus, sustaining positive demand trends and effectively managing rising costs and competitive pressures will be critical for the services sector's continued growth and resilience in the upcoming year.

Chapter 12: INFRASTRUCTURE: LIFTING POTENTIAL GROWTH

- Transformative changes have dawned upon the infrastructure landscape of India in the last decade in terms of facilitative institutional architecture and the quality and stock of infrastructure assets. The consistent focus on road, rail and air connectivity, sanitation and digital infrastructure have brought in a considerable growth in assets in these sectors. However, infrastructure-creation efforts in India are predominantly public sector-led.
- Between fiscal year 2019 and 2023, the Central and State Governments contributed to 49 per cent and 29 per cent of the total investments, respectively, while the private sector contributed 22 per cent.
- For India to continue down the path of building quality infrastructure, a higher level of private sector financing and resource mobilisation from new sources will be crucial. Facilitating this would not only require policy and institutional support from the Central Government, but State and Local Governments would have to play an equally important role.
- Each of the measures witnessed broad-based implementation, succeeding in mobilising finances for critical infrastructure projects.
- There is a need to improve data capture and reporting mechanisms for investments in infrastructure across instruments and sectors as well its composition across different projects on a granular level.
- Demand aggregation can provide an insight into the appetite for infrastructure projects based on sub-sectors and regions, while the construction of an index that tracks the utilisation rates would shed light on sub-sectors where there is either an oversupply or shortfall of required infrastructure facilities.
- Addressing these two gaps can provide additional diagnostic measures for enabling policymakers and other stakeholders to optimally allocate scarce resources.
- It would be useful if a mechanism is developed for consolidating infrastructure development and financial flow data from various sources, as per the HML classification, under a single access point which is updated at a regular frequency. It would also be of use to policymakers if the consolidated statistics are recorded with the public and private sector bifurcation.

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Section 6/ खंड 6

Circulars/Regulations/Guidelines

परिपत्र/विनियम/दिशानिर्देश

PFRDA/2024/14/ICS/01

Date of Circular	**Subject**
01-August-2024	Circular on Information & Cybersecurity Policy Guidelines- 2024 for Intermediaries/Regulated Entities

- With the rapid technological advancements and emerging threats, protection of IT infrastructure and data through cybersecurity measures is of considerable importance.

- While the regulated entities are expected to have taken measures in the past to prevent the cyber security issues, in order to protect the interest of the subscribers and ensure safety and integrity of the evolving architecture the Authority issued Information & Cybersecurity Policy guidelines – 2024.

- These guidelines will serve as a roadmap for Regulated Entities to effectively manage cyber risks, protect critical assets and maintain trust and confidence in the digital age.

- The guidelines shall also act as a broad standard for the Regulated Entities to understand and implement essential controls and procedures to protect their Information & Communication Technology (ICT) infrastructure from cyber threats.

- The guidelines shall come into effect from 01st August 2024.

Section 7/ खंड 7

NPS/ APY Statistics

एनपीएस/एपीवाई आँकड़े

I. Sector Wise Growth / क्षेत्रवार वृद्धि

The total number of subscribers, contributions, and assets under management for the NPS and APY as on July 31st, 2024, are as under. The below data is a compilation of data from the three CRAs registered with PFRDA.

i.No. of Subscribers: The number of subscribers in various schemes under the NPS and APY rose to 763.32 Lacs by the end of July 2024 from 654.63 lakh in July 2023 showing a year-on-year (Y-o-Y) growth of 16.60 %.

Table 1: NPS & APY growth in Subscribers base as on 31st July 2024/ 31 *जुलाई* 2024 तक एनपीएस और एपीवाई के अभिदाताओं की संख्या में वृद्धि

S.N. / क्रम संख्या	Sector / क्षेत्र	No. of Subscribers (in lakh) / अभिदाताओं की संख्या (लाख में)			YoY (%) / वार्षिक वृद्धि (%)	Share (%) / हिस्सेदारी (%)
		31-July-23	31-Mar-24	31-July-24		
i	CG	24.47	26.07	26.51	8.34	3.47
ii	SG	62.22	65.96	67.11	7.86	8.79
iii	**Sub Total**	86.69	92.03	93.62	7.99	**12.26**
iv	Corporate	18.01	19.48	20.71	14.99	2.71
v	All Citizen	30.46	35.64	37.1	21.80	**4.86**
vi	**Sub Total**	48.47	55.12	57.81	19.27	7.57
vii	NPS Lite	33.24	33.28	33.40	0.48	4.38
viii	APY	486.22	555.12	578.49	18.98	75.79
ix	**Grand Total**	**654.62**	**735.56**	**763.32**	**16.61**	**100**

ii. Contribution: As on 31st July 2024, total contribution for both NPS and APY stood at Rs. 8,91,171 crores showing a Y-o-Y growth of 22.86 %.

iii. Assets under Management: As of 31st July 2024, the combined pension assets under management for both the NPS and the APY stood at Rs 12,47,832 crores showing a year-on-year growth of 28.64 %.

Table 2: NPS & APY growth in Contribution as on 31st July 2024/ 31 जुलाई 2024 तक एनपीएस और एपीवाई के कॉन्ट्रिब्यूशन में वृद्धि

S.N. / क्रम संख्या	Sector / क्षेत्र	Contribution (Rs. in crore) / योगदान (रु. करोड़ में)			YoY (%) / वार्षिक वृद्धि (%)	Share (%) / हिस्सेदारी (%)
		31-Jul-23	**31-Mar-24**	**31-Jul-24**		
(i)	CG	1,94,513	2,19,498	2,33,161	19.87	25.7
(ii)	SG	3,65,783	4,20,085	4,44,906	21.63	49.04
(iii)	**Sub Total**	**5,60,296**	**6,39,583**	**6,78,067**		
(iv)	Corporate	97,234	1,16,097	1,27,061	30.68	14.01
(v)	All Citizen	43,312	52,949	56,510	30.47	6.23
(vi)	Tier-II	7,080	8,069	8,680	22.59	0.96
(vii)	TTS	13	16	17	34.33	0
(viii)	**Sub Total**	**1,47,639**	**1,77,131**	**1,92,268**		
(ix)	NPS Lite	3,235	3,359	3,423	5.81	0.38
(x)	APY*	26,582	31,098	33,465	25.89	3.69
(xi)	**Grand Total**	**7,37,752**	**8,51,171**	**9,07,224**	22.97	100

** Fig does not include APY Fund Scheme*

Table 3: NPS & APY growth in AUM as on 31st July 2024/ 31 जुलाई 2024 तक एनपीएस और एपीवाई के एयूएम में वृद्धि

S.N. / क्रम संख्या	Sector / क्षेत्र	AUM (Rs. in crore) / एयूएम (रु. करोड़ में)			YoY (%) / वार्षिक वृद्धि (%)	Share (%) / हिस्सेदारी (%)
		31-July-23	**31-Mar-24**	**31-July-24**		
(i)	CG	2,81,124	3,22,215	3,47,269	23.53	27.11
(ii)	SG	4,92,661	5,82,673	6,32,607	28.41	49.39
(iii)	**Sub Total**	**7,73,784**	**9,04,888**	**9,79,876**		
(iv)	Corporate	1,33,890	1,66,729	1,89,081	41.22	14.76
(v)	All Citizen	43,110	54,396	60,780	40.99	4.75
(vi)	Tier-II	4,438	5,413	6,208	39.86	0.48
(vii)	TTS	14	18	19	34.20	0
(viii)	**Sub Total**	**1,81,452**	**2,26,556**	**2,56,087**		
(ix)	NPS Lite	5,145	5,560	5,821	13.13	0.45
(x)	APY	29,674	35,647	39,133	31.88	3.06
(xi)	**Grand Total**	**9,90,056**	**11,72,651**	**12,80,917**	29.38	**100**

II. PFM-wise Assets under NPS schemes / पीएफएम के अनुसार एनपीएस योजनाओं के अंतर्गत संपत्तियाँ

Table 4: Pension Fund-wise Assets under Management (in crore) as on July 2024/
जुलाई 2024 को पेंशन फंड के अनुसार एयूएम (करोड़ में)

Pension Fund	AUM (Rs. In Crore)			YoY (%)	% share
	31-July-23	31-Mar-24	31-July-24		
SBI	3,71,363.24	4,33,384.62	4,67,247.46	25.82	36.45
LIC	2,77,187.05	3,22,161.92	3,45,559.63	24.67	26.96
UTI	2,62,288.84	3,02,676.57	3,23,738.28	23.43	25.26
ICICI	19,357.65	28,419.13	35,642.89	84.13	2.78
Kotak	3,270.24	4,705.99	5,465.80	67.14	0.43
HDFC	55,377.33	76,954.78	93,791.11	69.37	7.32
Aditya Birla	859.74	1,508.72	2,026.55	135.72	0.16
Tata	169.56	834.71	2,559.83	1409.69	0.20
Max Life	322.18	576.37	982.05	204.82	0.08
Axis	422.96	2,197.45	4,323.99	922.31	0.34
DSP	-	115.66	505.60	NA	0.04
Total	**9,90,618.79**	**11,73,535.92**	**12,81,843.20**	**29.40**	**100.00**

Source: NPS Trust

**Includes APY Fund Scheme figures.*

III. Scheme Wise AUM under NPS / एनपीएस के अंतर्गत योजनावार एयूएम

Table 5: Scheme-wise Assets under Management (in Crores) as of July 2024/ जुलाई 2024 को योजनावार एयूएम संपत्तियाँ (करोड़ में)

Scheme		AUM (Rs. In Crore)			Growth (%)		% share
		31-July-23	31-Mar-24	31-July-24	YOY	Over Mar 24	
CG		2,71,587.79	3,03,144.53	3,18,494.11	17.27	5.06	24.85
SG		4,88,846.12	5,73,527.22	6,17,439.34	26.31	7.66	48.17
Corporate CG		64,880.59	77,174.94	84,768.12	30.65	9.84	6.61
TIER I	A	303.88	411.38	477.83	57.24	16.15	0.04
	E	54,049.63	76,999.16	96,700.25	78.91	25.59	7.54
	C	25,365.92	34,012.02	40,466.27	59.53	18.98	3.16
	G	45,751.02	60,750.99	71,407.76	56.08	17.54	5.57
NPS Lite		5,145.38	5,559.67	5,821.08	13.13	4.70	0.45
TIER II	E	1,990.56	2,573.34	3,085.08	54.99	19.89	0.24
	C	912.57	1,035.34	1,123.84	23.15	8.55	0.09
	G	1,535.63	1,797.97	1,981.45	29.03	10.20	0.15
	TTS	13.85	17.51	18.61	34.29	6.26	0.00
APY		29,674.22	35,647.67	39,133.63	31.88	9.78	3.05
Tier II Composite		-	-	0.84	-	-	0.00
Total Asset		**9,90,057.17**	**11,72,651.75**	**2,80,918.20**	**29.38**	**9.23**	**100.00**

Source: NPS Trust

IV. PFM-wise Return on NPS Schemes / पीएफएम के अनुसार एनपीएस योजनाओं पर लाभ

Table 6: Returns since inception (in %) as on 31st July 2024/ आरंभ से लाभ (% में) 31 जुलाई 2024 तक

Pension Funds		SBI	LIC	UTI	ICICI	KOTAK	HDFC	Aditya Birla	TATA	Max Life	Axis	DSP
CG		9.75	9.58	9.54								
SG		9.47	9.55	9.51								
Corporate-CG		9.54	9.63									
TIER I	A	8.85	7.48	6.46	7.17	6.89	8.54	6.48	7.56	-1.34	6.57	3.73
	E	12.31	14.71	13.96	14.02	13.37	16.52	15.77	27.45	23.04	25.34	25.15
	C	9.56	9.00	8.69	9.54	9.24	9.26	8.33	6.98	7.24	7.71	4.89
	G	9.11	9.83	8.33	8.55	8.55	9.11	8.04	8.76	9.28	9.16	7.69
TIER II	E	12.24	12.87	12.78	12.76	12.95	14.99	15.84	27.36	26.69	25.98	20.60
	C	9.12	8.53	8.71	9.37	8.59	8.60	7.80	7.35	7.64	6.83	5.12
	G	9.11	10.04	8.83	8.61	8.31	9.23	7.44	9.01	7.81	8.37	4.39
	TTS	6.45	8.84	7.12	7.92	8.75	7.20	7.94	11.86	6.48	6.41	3.26
NPS Swavalamban		9.87	9.91	9.85		9.79						
APY		9.11	9.41	9.34								
Tier II Composite		1.40	1.53	1.88								

Source: NPS Trust