



**Pension Fund Regulatory
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CIRCULAR

PFRDA/2014/06/PFM/04

Date: 22-Sep-2014

Subject: Investment in Basel -III compliant Additional Tier I Bonds.

This has reference to the Investment guidelines Circular No. PFRDA/2014/02/PFM/1 dated 29-Jan-2014 issued by PFRDA.

It is hereby clarified that Additional Tier I Bonds compatible under Basel-III issued by scheduled commercial banks in accordance with the RBI guidelines are to be considered as debt instruments eligible for investments under the debt category of all NPS Schemes provided they are rated as investment grade by at least one rating agency.

In terms of the applicable investment guidelines, Pension Funds shall undertake their own due diligence for assessment of risks associated with the securities before investing, in the best interest of the subscribers and adhere to the prudential exposure norms.

Yours faithfully,


Sumeet Kaur Kapoor
(General Manager)