



CIRCULAR

PFRDA/2013/9/PFM/3

Date: 17-Apr-2013

Sub: Clarifications on Investment Guidelines for Private Sector NPS

In response to queries received from Pension Fund Managers seeking clarification of clauses noted in Schedule – II of the Investment Management Agreement for Private Sector, the Authority has decided to issue the following clarifications which shall take immediate effect and shall remain valid till further orders;

1. In terms of revised investment guidelines for private sector NPS, fresh investments in equity related Mutual Funds and Exchange Traded Funds (ETF) are disallowed.
2. Debt securities selected for investments should have a minimum residual maturity period of three years from the date of investment by the Pension Fund Manager
3. Industry exposure of Pension Fund Manager is restricted to 15% of NPS investments taken together under all NPS schemes i.e Scheme E, C (Tier I & Tier II), CG, SG, NPS Lite, Corporate CG and any further schemes announced from time to time.
4. Investment in equity is restricted to 5% (sponsor group companies) and 10% (non-sponsor group companies) of the market value of paid up equity capital of the company (no. of shares multiplied by price of share), to be read in conjunction with Clause 2.1.2(d) of Schedule II of IMA.
5. Rated asset backed securities (ABS) are eligible securities for investments under Asset Class-C provided they have a residual maturity of not less than three years and have an investment grade rating from at least two rating agencies.

This circular is being issued in terms of resolution issued by MOF (DEA-ECB and PR division) dated 10th October 2003.

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(Chief General Manager)