



**पेंशन निधि विनियामक और
विकास प्राधिकरण**

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CIRCULAR

PFRDA/2015/05/PFM/03

To,

All Pension Funds,

Date: 22nd Jan. 2015

**Subject: Clarification on Revision of Investment Guidelines for NPS Scheme
issued on 29.01.2014**

This is with reference to the Circular No. PFRDA/2014/02/PFM/1 for *Revision of Investment Guidelines for NPS Schemes* issued by PFRDA on 29.01.2014.

2. Pursuant to above mentioned circular, the Pension Funds were expected to realign their portfolios in accordance with the revised guidelines.

3. However in the interest of the subscribers the following was stipulated in clause 5.

"Pension Funds to ensure that the interest of the subscribers is safeguarded and that they should not incur any loss while exiting the existing investments to comply with the revised guidelines. However, all future investments should be made strictly in compliance with the above guidelines"

4. It is to clarify that the above clause was only intended to protect the subscriber any loss on exiting any existing security merely to comply with revised investment pattern

5. However this does not imply that Pension Funds cannot exit from existing investments at a loss, if it is so required as a measure of portfolio management by the Pension Funds within the parameters of their internal Investment Management/Risk Management/ Stop loss policy and within the overall framework of guidelines issued by PFRDA.

6. A case in the point is when there is downgrade of any security, it is for the Pension Funds to determine the point of exit from it. The guidelines do not bar any such exit even if there is a loss, if the exit is so determined by the policy of Pension Funds within the overall framework of PFRDA guidelines.

Sumeet Kaur Kapoor
(General Manager)