



पेंशन निधि विनियामक और
विकास प्राधिकरण

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CIRCULAR

PFRDA/2018/02/PF/02

Date: 8th May, 2018

SUBJECT: Revised rating Criteria for investments under NPS Schemes –reg.

Reference is invited to the investment guidelines issued by the Authority dated 03.06.2015 for NPS Schemes (Applicable to Scheme CG, Scheme SG, Corporate CG and NPS Lite Schemes and APY) and investment guidelines dated 04.05.2017 in respect of NPS Schemes {Other than Govt. Sector (CG & SG), Corporate CG, NPS Lite and APY}.

2. Presently, as per PFRDA Investment Guidelines for NPS schemes, the investments under Scheme/Asset Class C are made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with SEBI under SEBI (Credit Rating Agency) Regulations, 1999.

As the development of corporate bond market will ultimately benefit the investment universe as a whole by improving the liquidity and confidence in the securities market and especially the bond market where a sizable share of NPS contributions are invested, it has been decided by the Authority to allow pension funds to invest in corporate bonds/ securities which have a minimum of 'A' rating or equivalent in the applicable rating scale subject to a cap on investments between A to AA- rated bonds to be not more than 10% of the overall Corporate Bond portfolio (Scheme/Asset class C) of the pension fund referred in the subject investment guidelines.

The pension funds are required to submit a quarterly statement on the investments made in securities which have a minimum rating of 'A' and their performance including downgrades in this category, if any, to NPS Trust for monitoring of such investments.

3. This revision shall be applicable to both the referred investment guidelines for NPS Schemes applicable to Scheme CG, Scheme SG, Corporate CG and NPS Lite Schemes, APY and also to NPS Schemes {Other than Govt. Sector (CG & SG), Corporate CG, NPS Lite and APY}. The revision shall be effective from the date of this circular.

4. Subject to the aforementioned revision, all other terms and conditions as contained in the aforementioned investment guidelines dated 03.06.2015 and 04.05.2017 shall remain unchanged. All Pension funds are called upon to note these changes and ensure necessary compliance.

5. This circular is issued in exercise of powers of the Authority under sub-clause (b) of sub-section (2) of Section 14 read with Section 23 of the PFRDA Act, 2013 and sub-regulation (1) of Regulation 14 of the PFRDA (Pension Fund) Regulations, 2015.



08/5/18

(Venkateswarlu Peri)
Chief General Manager