



Press Release – Returns on NPS schemes for F.Y. 2012-13

The National Pension System (NPS) regulated by Pension Fund Regulatory and Development Authority (PFRDA) has delivered double digit returns for the financial year 2012-13 and has evidenced itself as not just being the cheapest retirement product but also as the highest returns generating scheme.

PFRDA advises that various NPS schemes have earned the following average annual returns during the financial year recently ended on 31st March, 2013 (Weighted Average):

Details are as under:

| Sr. No. | Scheme | Weighted. Average Returns (in %) |
|---------|--------------------------|----------------------------------|
| 1 | Central Government | 12.39 |
| 2 | State Government | 13.00 |
| 3 | Swavalamban | 13.40 |
| 4 | Private: Equity | 8.38 |
| 5 | Private: Corporate Debt | 14.19 |
| 6 | Private: Government Debt | 13.52 |

Last year PFRDA had issued revised guidelines for Registration of Pension Fund Managers to manage NPS for Private sector, under which eight Pension Fund Managers have been registered so far- SBI Pension Funds Pvt. Ltd., UTI Retirement Solutions Ltd., LIC Pension Fund Ltd., Kotak Mahindra Pension Fund Ltd., Reliance Capital Pension Fund Ltd., ICICI Prudential Pension Funds Management Co. Ltd., HDFC Pension Management Co. Ltd. and DSP BlackRock Pension Fund Managers Pvt. Ltd.

Pension Fund Managers are now allowed to prescribe their own fee subject to ceiling of 0.25% to enable an economically viable model for their operations.

PFRDA also recently revised its Investment Guidelines, with a view to improve performance of Pension Fund Managers by direct investment in equity & corporate debt and not through mutual funds etc. Further for better risk management prudential sectoral norms have also been introduced.

The National Pension System which was introduced by the Central Government in January 2004 for its new entrants and subsequently extended to the private sector in May 2009 has accumulated a corpus of Rs 33,000 crores contributed by 50 lakhs subscribers.