Ministry of Finance

PFRDA releases Consultation Paper to Align Valuation Guidelines with Core Objectives of Long-Only Pension Funds investing in Government Securities and calculation of Net Asset Value (NAV)

Consultation Paper Proposes Dual Valuation Framework to Enhance Transparency and Stability in NPS and APY Schemes

PFRDA invites Stakeholder Feedback on Consultation Paper; Comments Open till November 30, 2025

Posted On: 21 OCT 2025 7:20PM by PIB Delhi

The Pension Fund Regulatory and Development Authority (PFRDA) has released a comprehensive Consultation Paper titled **"**Alignment of Valuation Guidelines with the core objectives of Long-only Funds when investing in Government Securities and calculation of Net Asset Value (NAV)".The framework proposed is part of PFRDA's ongoing commitment towards improving governance, protecting subscriber interests and contributing for India's broader financial and infrastructural growth.

The Consultation Paper, dated October 17, 2025, proposes adoption of dual valuation framework ('accrual' and 'fair market') for long dated Government Securities held in NPS/APY to achieve three key purposes:

1. Depict stable and simplified pension wealth accumulation to subscribers during the accumulation phase.
2. Reduce the impact of short-term interest rate volatility on scheme NAV, since such fluctuations do not materially affect subscribers during the accumulation phase.
3. Align pension fund investments with long-term capital formation, boosting stakeholder confidence by funding productive, long-gestation infrastructure assets.

Overall, the framework aims to present pension wealth accumulations more clearly to subscribers while ensuring long-term financial stability and economic relevance.

Invitation for Stakeholder Comments

The consultation paper is available on PFRDA website under the tab Research andPublication. *(https://pfrda.org.in/en/web/pfrda/consultation-papers).* PFRDA is seeking feedback on the proposal from all stakeholders, including NPS participants, prospective subscribers, pension funds, industry experts, academia and the general public.

The Authority encourages thorough review and constructive inputs on the proposals to ensure the successful development and implementation of the schemes regulated by PFRDA.

Stakeholders are requested to submit their comments, inputs and feedback on aforesaid the consultation paper latest by 30th November 2025.

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