

PFRDA constitutes Committee for Strategic Asset Allocation and Risk Governance (SAARG)

SAARG to undertake comprehensive review of NPS investment guidelines to enhance diversification, risk management and long-term retirement wealth creation

प्रविष्टि तिथि: 25 JAN 2026 8:19PM by PIB Delhi

The PFRDA has constituted a committee of Investment Experts for Strategic Asset Allocation and Risk Governance (SAARG) to review, recommend and modernize the investment framework under the NPS.

SAARG has been tasked with undertaking a comprehensive review of the existing NPS investment guidelines benchmarking them with leading global pension systems and the evolving Indian investment ecosystem. The objective is to strengthen the investment architecture of NPS to support long-term retirement wealth creation, enhance diversification, improve risk management practices and expand subscriber choice.

The scope of the SAARG includes examination of strategic asset allocation frameworks, introduction and review of asset classes, performance measurement and accountability mechanisms, ALM practices, valuation standards for alternative investments, portfolio stability and liquidity optimisation measures, governance and intermediary architecture, and integration of sustainability considerations in investment decision-making. The detailed Terms of Reference is placed at Annexure.

SAARG shall be chaired by Shri Narayan Ramachandran, former Country Head and CEO of Morgan Stanley India, and comprises eminent experts from the fields of capital markets, asset management and securities law.

No.	Name of Expert	Affiliation
1	Shri Narayan Ramachandran	Former Country Head and CEO of Morgan Stanley India Currently, Chairman at Team Lease Services Ltd.
2	Shri Ananth Narayan	Former Whole Time Member, SEBI
3	Ms Devina Mehra	Founder & CMD First Global (PMS & Global funds)
3	Shri Kalpen Parekh	MD & CEO at DSP Mutual Fund

4	Shri Prashant Jain	CIO at 3P Investment Managers & Former CIO at HDFC Mutual Fund
5	Shri Rajeev Thakkar	Chief Investment Officer at PPFAS Asset Management Pvt. Ltd.
6	Shri Raamdeo Agrawal	Co-founder, Motilal Oswal & Chairman and Co-founder of Motilal Oswal Financial Services Ltd.
7	Shri Sankaran Naren	Chief Investment Officer at ICICI Prudential AMC Ltd
8	Shri Sumit Agrawal	Founder, Regstreet Law Advisors
9	Shri Ashok Kumar Soni	Executive Director, PFRDA

The constitution of SAARG reflects PFRDA's continued commitment to strengthening the NPS investment framework in a forward-looking manner and ensuring that it remains resilient, diversified and aligned with the evolving needs of subscribers in their long-term wealth creation journey.

The committee shall have a time of 9 months examine and submit its report to PFRDA with its recommendations.

Annexure – SAARG's Terms of Reference

The Committee shall be guided by the following terms of reference in the discharge of its mandate:

i. Foundational Review of NPS & Global Benchmarking:

- Review existing NPS investment guidelines for Government and Non-Government Sectors for adequacy, effectiveness and long-term relevance.
- Benchmark NPS investment architecture with leading global pension systems and Indian peer investment ecosystem and recommend reforms.

ii. Asset Class Review and Expansion:

- Review all permitted asset classes and suggest enhancements to improve diversification and long-term retirement wealth creation
- Introduction of new asset classes to mitigate geopolitical, macroeconomic and market-cycle risks.

iii. Strategic Asset Allocation Framework:

- Recommend optimal strategic asset allocation across equity, debt, money market and alternate assets balancing safety, liquidity and returns.
- Define eligible investment universe under each asset class and recommend prudential exposure and concentration limits.

iv. Performance Measurement & Accountability:

Examine the existing benchmarking system and recommend appropriate benchmarks and methodologies for evaluating Pension Fund performance under NPS.

v. Risk Management & ALM Architecture:

- Recommend comprehensive risk management practices covering market, credit, liquidity, concentration and operational risks
- Recommend Asset–Liability Management (ALM) principles aligned with long-term pension liabilities

vi. Alternative Investments & Valuation Standards:

- Recommend valuation principles for Alternate Investment Funds (AIFs).
- Recommend suitable investment strategies for AIFs considering illiquidity, exit constraints and long-term retirement objectives.

vii. Portfolio Stability & Liquidity Optimisation:

- Recommend modalities for earmarking a portion of G-Secs under Held-to-Maturity (HTM) to enhance portfolio stability.
- Examine feasibility of Securities Lending & Borrowing Mechanism (SLBM) for generating additional wealth creation opportunities for NPS Subscribers.
- Recommend enabling Triparty Repo arrangements for efficient liquidity management.

viii. Governance & NPS Intermediary Architecture:

- Examine centralized vs Pension Fund-wise custodial architecture for efficiency and resilience
- Review and optimise end-to-end investment process flow across NPS intermediaries.

ix. Sustainability Integration:

Assess embedding climate transition risks and net-zero pathways in asset selection under NPS

x. Subscriber Choice & Investment Design:

- Review and enhance existing subscriber investment choices including lifecycle and target-date structures.
- Recommend optimal mix of active and passive investment strategies.

xi. Any other important matter:

Recommend on any other emerging matter impacting investment patterns, governance, risk management and subscriber outcomes

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