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The Telegraph

Rule clarity for NPS sponsors

A STAFF REPORTER

Calcutta: The Pension Fund Regulatory and Development Authority of India has further streamlined the regulations for the eligibility criteria of fund managers of the National Pension Scheme, bringing in clarity on the net worth and the minimum capital requirement.

According to the original Pension Fund Regulatory and Development Authority (Pension Fund) Regulations 2015, clause 8(1)(c), sponsors, either individually or jointly, need to have a positive tangible net worth of at least Rs 25 crore on the last day of each of the preceding five financial years.

This clause was amended in February 2020 whereby the sponsors, either individually or jointly, were required to have a positive tangible net worth of at least Rs 50 crore on the last day of each of the preceding five financial years, out of which at least Rs 25 crore should be the capital. But the amendment was not clear about the nature of the capital.

This was subsequently

LATEST NORM

- Sponsors, either individually or jointly, should have a positive tangible net worth of at least Rs 50cr on the last day of each of the preceding five financial years
- At least, Rs 25cr should be the paid-up equity capital on the date of applying as a sponsor

clarified through a notification published on Tuesday whereby of the minimum positive tangible net worth of Rs 50 crore, the regulations now state that at least Rs 25 crore should be the paid-up equity capital on the date of making the application as a sponsor.

“Initially, the sponsor was only required to comply with the net worth criteria of at least Rs 50 crore which, in accordance with the amendment mandated that Rs 25 crore out of such Rs 50 crore of net worth should constitute the capital of such sponsor.

“The criteria has been further amended to provide that the capital requirement of Rs 25 crore should be the paid-up equity capital and not any other form of capital on the date of making application as sponsor,” said Suresh Surana, founder, RSM India.