

FIMCIR/2008-09/48

April 1, 2009

To,

ALL FIMMDA MEMBERS,

VALUATION OF PERPETUAL BONDS

Please refer our Annual Valuation Circular FIMCIR/2008-09/46 dated Feb 26, 2009 Para 11 of **“Bonds/Debentures having special features”**

As mentioned in the minutes of the Valuation Committee meeting dated 30th March, 2009, we have now introduced the Corporate Bond Spreads for 15 years tenor also.

Therefore for Perpetual Bonds, the 15 years spread for the corresponding rating should be added to the 30 year point on the Base yield Curve for arriving at the yield for valuation of a Perpetual Bond.

With regards,

Yours truly,

C.E.S.Azariah

Chief Executive Officer