

Dear Sir/ Madam,

Reg: valuation matrix for Corporate Bonds.

Presently, FIMMDA provides valuation matrix for Corporate Bonds on every month end. We also give daily valuation matrix for the purposes of valuing Corporate Bond Repo outstanding.

Earlier, at the request of members, we used to give daily valuation matrix for Corporate Bonds till March 2013. At that time, we worked closely with the market participants and strengthened the methodology which was accepted by the members due to its nearness to market levels.

The same was stopped as some Banks felt that as they need to value their portfolios only once a month, the daily valuations may not be needed.

But Insurance Coys need the daily Valuations as also some major banks who value their portfolios on daily basis. In view of this need, we obtained our Board approval to show the same robust daily matrix valuation methodology to IRDA for their approval. We made a presentation to IRDA for their evaluation of the matrix in early January 2014. While the same is under their consideration, **we wish to publish daily Corporate bond Matrix for the information of our members(Insurance Coys and some banks desirous of daily valuations) for valuation of their portfolios wef Monday 24th February 2014 till at least end of March 2014.**

We request our members to evaluate the valuation matrix and offer their suggestions for improvements where required.

We also wish to invite our members to a meeting around mid-march for their views on the methodology. The date will be intimated shortly. After eliciting the views, we wish to offer the product on daily basis to interested members on regular basis.

We request our members to take note and make use of the same.

Regards,

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