

FIMNOT/2023-24/01

May 04, 2023

To,

Members / Stakeholders / Website Users

**Sub: Corporate Bonds - Publication of Security Level Valuation (SLV) on Firm Basis**


Please refer to FIMMDA Notice No. FIMNOT/2022-23/14 dated 17<sup>th</sup> March 2023 issued on the above subject. (Annex)

Members / Stakeholders / Website Users are hereby notified that:

1. Firm Publication of daily Security Level Valuation (SLV) of Plain Vanilla Corporate Bonds with Rating upto "AA-", will commence from 15<sup>th</sup> May 2023 (Valuation date).
2. Publication of Daily / Fortnightly Yield / Spread Matrices and 15 day traded data will also be continued as hitherto.
3. Valuation as published in the Security Level Valuation (SLV) are to be used for the available ISINS.
4. Valuation of any ISIN not covered under SLV publication as above may still be valued by using Matrix as being done hitherto.

Members and end users are requested to take note of the above.

Yours truly,

**G. Ravindranath**

**Chief Executive Officer**



Nurturing Markets,  
Widening Horizons



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FIMNOT/2022-23/14

March 17, 2023

To,

FIMMDA Members / Stakeholders / Website Users,

**Sub: Publication of SLV on a firm Basis**

- I. Please refer to the discussions at the Valuation Committee meeting held on 1<sup>st</sup> March 2023 on where the likelihood of publication of Security Level Valuations (SLV) on a Firm Basis with short notice, subject to the readiness of market participants, (both in terms of IT and internal processes) to migrate to SLV from Matrix-based valuations.

As discussed at the meeting we once again enclose the proposed publication format of the SLV output for Plain Vanilla Bonds.

This is the same format as that of SLV output currently being published on "Trial Basis" as available on our website.

Market Participants are requested again to send a communication as per the following format, confirming their preparedness, to use SLV on a daily basis.

Name of Institution	Preparedness to migrate to SLV (Yes / No)	Remarks (If any)

We request you to provide your confirmation by return mail.

- II. To start with we will be publishing valuation of only Plain Vanilla Bonds (PVB) upto rating AA-

Users will have to use the valuation as published under SLV for the available ISINs.

In case valuation of the particular ISIN is not available under SLV Spread Matrix may be used for valuation as hitherto.

In such cases Market Participant need to send the specific ISIN details to FIMMDA as per the format below for updating FIMMDA Master data and for inclusion in SLV publication database:

ISIN
Company



Name of the Instrument
Description in NSDL
Issue price (per security)
Face Value (per security)
Issue Date/Date of Allotment
Redemption
Coupon Rate
Frequency of the Interest Payment with specified dates
Cash Flow Dates
Put / Call Option with specified dates
Credit Rating with name of Credit Rating Agency and Date of Credit Rating
Frequency of the Interest Payment with specified dates
Last Traded Date
Last Traded price
Last Traded Yield
Remarks

- III. Market Participants are also requested to note that, as per the requests received, the "Final Yield " published would be as below:
- a. Where the ISIN has traded within a look-back period of 15 days:
    - i. The Final Yield is the latest traded yield within the 15-day look-back period.
  - b. Where the ISIN has NOT traded within a look-back period of 15 days:
    - i. Where Model Yield is greater than the corresponding G-Sec par yield + 50 bps, the Model Yield is published as the Final Yield.
    - ii. Where Model Yield is lesser than the corresponding G-Sec par yield + 50 bps, then the corresponding G-Sec par yield + 50 bps is published as Final Yield.

Yours truly,




**G. Ravindranath**

**Chief Executive Officer**



## Security Level valuation of Corporate Bonds (on trial basis) on 30-Nov-2022

ISIN	Name of Issuer	Coupon Rate	Maturity Date	Rating	Segment of Issuer	Model Yield for 30-Nov	Model Price	15 days Yield	15 days Price	Final Yield	Final price	Remarks
IE029A08040	BHARAT PETROLEUM CORPO	7.69%	16-Jan-23	AAA	PSU, FI & Banks	6.89	100.01	0.00	0.00	7.17	100.04	
IE029A08057	BHARAT PETROLEUM CORPO	8.02%	11-Mar-24	AAA	PSU, FI & Banks	7.41	100.57	0.00	0.00	7.47	100.64	
IE753F07038	DAMODAR VALLEY CORPORA	9.30%	30-Mar-27	AAA	PSU, FI & Banks	7.74	106.15	0.00	0.00	7.74	106.15	
IE753F08028	DAMODAR VALLEY CORPORA	8.69%	25-Mar-28	AAA	PSU, FI & Banks	7.83	104.28	0.00	0.00	7.83	104.28	
IE153A08014	MAHANAGAR TELEPHONE NI	8.57%	28-Mar-23	AAA	PSU, FI & Banks	7.01	100.42	0.00	0.00	7.13	100.43	
IE153A08022	MAHANAGAR TELEPHONE NI	9.38%	05-Dec-23	AAA	PSU, FI & Banks	7.39	101.98	0.00	0.00	7.45	101.85	
IE153A08030	MAHANAGAR TELEPHONE NI	9.39%	26-Mar-24	AAA	PSU, FI & Banks	7.41	102.51	0.00	0.00	7.47	102.35	
IE153A08071	MAHANAGAR TELEPHONE NI	8.29%	28-Nov-24	AAA	PSU, FI & Banks	7.53	101.51	0.00	0.00	7.59	101.27	

computation of SLV – look back 15 calendar days traded data considered (inclusive of failed trades).

computed and published are for only Plain Vanilla Bonds with Rating up to AA-

Default – Wherever there is a rating Downgrade by 2 notches or of rating downgrade to “Default” category and there are no trades in such ISINs

Level Valuation will not be provided. In such cases for Valuation, please use Matrix.

SLV computation is as per FIMMDA published methodology. Methodology document is available on “www.fimmda.org”

try Guidelines:

should also consider the following RBI guidelines while valuing securities using FIMMDA Matrix.

debentures / Bonds other than those which are in nature of advance should be valued on the YTM basis.

the debenture / bond is quoted and there have been transactions within 15 calendar days prior to the valuation date, the value adopted should not be higher than

at which the transaction is recorded on the stock exchange. For this purpose, FIMMDA publishes traded values of all Bonds of the past 15 calendar days separately, on all Mumbai busine

held used for the YTM for rated debentures / bonds should be at least 50 basis points above the rate applicable to a Government of India loan of equal maturity

Mark-up for the unrated debentures / bonds should appropriately reflect the credit risk borne by the FI.

held used for the YTM for unrated debentures / bonds should not be less than the rate applicable to rated debentures / bonds of equivalent maturity.

interest / principal on the debenture / bond is in arrears, the provision should be made for the debentures / bonds as in the case of debentures / bonds treated as advances.

er: Evaluated securities are financial instruments that are traded infrequently.

ed data is sourced from the Exchanges that maintain reporting /trading platforms. We have used methodology as described in the document to arrive

Yields of non-traded securities. It is generally found that no evaluation method can generate prices/yields that may match the expected traded values.

understands the limitations and agrees to use these values at their own risk and responsibility. FIMMDA assumes no responsibility expressed or

of any kind for accuracy, completeness, reliability or fitness of the values published

