



The Clearing Corporation of India Ltd.

RMD/SS/BT/20/04

Dated : 08th Jul'20

Securities Segment

Back Testing Results of the effectiveness of using yield spreads/illiquidity related adjustments during the month of Jun'20.

In terms of Para 3 of Notification No.RMD/SS/09/13 dated 28th August'09, yield spreads and spreads in terms of Rupees & paise are being used to factor in impact of illiquidity for the purpose of valuation

2. Improvement in terms of bringing model prices of securities closer to weighted average of traded prices could be achieved during Jun'20 as under:

S.No.	Category	Improvement in no. of cases*
1	Government of India Securities	92.60%
2	Special Securities issued by Government of India ^	0.00%
3	State Government Securities	98.49%

*Difference of less than Rs. 0.50 ignored.

^No trades were observed

3. There were 25 cases of GOI securities and 4 cases of SDLs where due to yield spread and illiquidity related adjustments, the model price moved away from weighted average of traded price by significant margin (Rs.1 or

4. Detailed document is available with us and can be accessed with specific request during current month.

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**Chief Risk Officer
(Risk Management)**