

FIMMDA 27th Annual General Meeting

September 22, 2025

Chairman's Speech

Good afternoon, ladies and gentlemen,

On behalf of the Board of Directors of FIMMDA and myself, I extend a warm welcome to all the members and auditors of the company, to the 27th Annual General Meeting of your Company.

It is with great pleasure that I, along with the entire Board of Directors, present the 27th Annual Report to this august gathering.

It gives me immense pleasure to share with you that on 7th May 2025, your Company has been accorded the status of SRO by RBI in the financial markets regulated by RBI. This is in fulfilment of the objectives of your Company and a long standing desire of the Members.

The Directors' Report for the fiscal year 2024--25, together with the financial statements and auditors' reports, have been distributed to the members in conjunction with the notice of the Annual General Meeting. With your permission, I will take these documents as read.

Economic scenario

The IMF in its July 2025 report on the World Economic Outlook update has summarized Global growth as Tenuous Resilience amidst persistent uncertainty.

In its publication of World Economic Outlook released on 25th July IMF maintained global Growth forecast for 2025 at 3.0 per cent and 3.1% for 2026.

Globally Policy makers encounter the challenge of muted growth and a tardy disinflation.

On the domestic front RBI has kept the policy Repo rate unchanged in the August bimonthly policy after reducing Repo rate by 100 bps between February and June 2025 and has projected growth for 2025-26 at 6.5% and 6.6% for 2026-27.

Icing on the cake was the positive development with S&P Global rating raising its long term Sovereign rating on India to BBB with stable outlook from existing BBB-.

India's Headline inflation for July 2025 has moderated to a 98 month low of 1.55% compared to 2.10% in June 2025 and 3.60% in July 2024 and the decline is mostly due to decline in food inflation.

The core inflation also reduced and stood below 4% for the first time in the past 6 months. Though the same has inched up to 2.07% for the month of August 2025, on expected lines, the core inflation has held steady at 3.1%, which augurs well.

India's current account deficit (CAD) moderated from 0.7% of the GDP in 2023-2024 to 0.6% of GDP in 2024--2025. For the first qtr of 2025-26 the CAD is 0.2 % of GDP. With robust service export and strong remittance receipts RBI expects to CAD to be within sustainable levels.

The GDP data announced for Q1 FY 2025-26 has reflected a pick up in growth. A sharp growth in the manufacturing sector and strong momentum in the services sector contributed to the robust Real GDP growth rate to a five -quarter high of 7.8% for April – June 2025 as against 7.4% in the previous quarter and 6.5% recorded in the corresponding quarter of the previous year.

On the whole the Indian financial system remains resilient and is on the path to becoming the third largest economy shortly. As an association we endeavor to contributing to the growth of the economy

FIMMDA has been actively engaged in dialogue with regulators to ensure that the perspectives of market participants are well- represented. We have also been instrumental in providing feedback on proposed regulations and working towards practical solutions that balance regulatory objectives with market needs.

Now let me touch upon the activities of FIMMDA during the FY 2024-25.

Some of the highlights are:

1. Dispute Resolution Committee: During the period between April 2024 - March 2025, DRC, FIMMDA has heard and adjudicated on 14 disputes referred by the market participants., involving a total Loss / Gain amount of Rs. 87 Lacs .

2. Introduction of derivatives on exchanges: FIMMDA permitted three interest rate options and three interest rate futures in the exchanges during the year.

3. RBI and other Regulatory Consultations & Interactions: FIMMDA has participated in all the bi-monthly pre-policy consultations with market associations RBI held during FY 24-25.

Market views and feedback were provided by Chairman FIMMDA. Glad to share that several of inputs / suggestions provided by FIMMDA were favorably considered by the Regulator.

CEO, FIMMDA has actively participated in various key committees viz. SEBI- COBOSAC, PFRDA-Pension Advisory Committee, CII National Markets Committee.

4. Accreditation of Brokers in Interest Rate Derivatives Market: During the year there has been no addition to FIMMDA accredited brokers in the IRD market. . The total number of FIMMDA accredited brokers is 9.

5. Training Programs: Pursuing its objective of augmenting proper skill and risk awareness in the market participants FIMMDA had been conducting various training programs over the years. The Flagship training programmes viz Bond Mathematics and Introduction to Indian Treasury Markets & Fixed Income Derivatives have seen high nominations from member Banks. In addition, FIMMDA has conducted customized in-person classroom trainings customized for its members and have successfully trained officials on various topics as per the requirements of respective institutions.

At FIMMDA, we believe that continuous training and development are vital for both personal and organizational growth. This year, we introduced a new training program titled '*Bond Portfolio Management*'—designed specifically for professionals in the insurance and banking sectors. The program focused on strengthening practical skills in managing Fixed Income Portfolios and saw full participation, reflecting the strong commitment of our member institutions to professional excellence.

In a collaborative effort to boost knowledge and skill development in the Indian debt markets, FIMMDA and NISM have jointly launched a series of e-learning courses, including Introduction to Fixed Income Securities, Fixed Income Mathematics, Overview of Indian Debt Markets, and Interest Rate Derivatives. These self-paced courses have gained strong traction among professionals and finance students alike, offering flexibility and accessibility. We're pleased to share that over 200 participants have already enrolled and benefited from these programs.

As part of our ongoing efforts to develop the Indian Interest Rate Derivatives market, FIMMDA collaborated with the International Swaps and Derivatives Association (ISDA), a global leader in promoting safe and efficient derivatives markets. On March 12, 2025, a Roundtable was held with ISDA's CEO, senior leadership, FIMMDA Directors, and select market participants. The session offered valuable insights into global IRD markets, benchmark transitions, and best practices from developed economies. It was an engaging and informative exchange that strengthened our understanding of international market trends.

The Journey Ahead:

This significant mile stone of recognition as an SRO marks the fulfillment of long cherished aspiration of our community. This recognition is a testament to the sustained effort, commitment that each of the

members have contributed over the years.

At the same time this recognition brings with it enhanced responsibility of pro-active and constructive engagement with the members, all the other stakeholders, and Regulator in respect of Fixed Income, Money and Derivative Markets in India for their orderly development and smooth conduct. In discharging the role of a SRO, as above, your Company is expected to ensure adherence of the Company and its Members to the Regulatory frameworks applicable. Needless to mention here that, the governance structure, policies, procedures and conduct of your Company, are expected to be of very high standards, efficient, ethical, fair and transparent. Being first recognised SRO under the new RBI Framework, I am sure the journey of your Company would be keenly watched by all stakeholders. My colleagues on the Board, Team and I are fully sanguine, FIMMDA would leave no stone unturned to live up to the expectations.

In order to ensure compliance with the applicable RBI framework and the provisions of the recognition as an SRO, in respect of role and objectives and governance structure of your Company suitable modifications are needed to be made to the AoA, to align to the framework. As per RBI directive communicated vide their letter dated May 07, 2025 a time window of one year has been provided to the company to be compliant with all the provisions of the SRO framework.

It is in this light that in the notice of this Annual General Meeting there is under “Special Business” Point (6) a resolution for considering and adopting by the members for Alteration of the Articles of Association of the company. The Alteration of the Articles of Association has been approved by FIMMDA Board and once approved by the members in this AGM, the altered Articles of Association will be filed with ROC.

As an Association now recognized as a SRO together we must project an image of integrity, efficiency and professionalism which will instill confidence in the regulator and the financial ecosystem. Adherence to best practices, laid down code of conduct in dealing in the financial market and proactive participation will make it exemplary of a SRO's journey to the other players of the Indian Financial Market. In fact, to put it simply we need to start thinking out of the box while maintaining laid down ethics and code of Conduct.

With this objective your Company will continue to endeavor steadfastly towards development of Fixed Income, Money and Derivatives Market and ensuring smooth and orderly conduct of markets. Towards this objective your company would work closely with RBI, other Regulators, GOI and other Authorities.

FIMMDA will Continue to engage with Market Participants towards activating existing products and also for introduction of new products to address various emerging needs and challenges in the market.

Your Company would continue to actively engage with market participants for broadening and deepening of Corporate Bond and Credit and Interest rate Derivative markets. Your company will continue to Work towards providing Standard Documentation and Market Conventions for orderly development of the same.

FIMMDA will continue to pursue its quest to enhance skill of Market participants in dealing with Financial Products with proper understanding of the nuances and risks involved both on standalone basis and in collaboration with Indian Institute of Banking and Finance (IIBF), National Institute of Securities Markets (NISM), NSE Academy Ltd. (NAL) etc.

In order to work towards bringing in global best practices and products for development of Indian Financial Markets, your Company would continue to engage with global associations such as ISDA, ICMA & ASIFMA. Your Company is collaborating and working closely with fraternity entities such as FEDAI, IBA, CCIL and FBIL on various initiatives pertinent to Financial Markets.

Last but not the least I would like to extend my heartfelt thanks to each and every one of you—our esteemed members, partners, and stakeholders. Your unwavering support and active participation have been instrumental in driving our mission forward and in shaping the landscape of the fixed income, money market, and derivatives sectors in India.

Let us seize this opportunity to collectively raise the standards of our market segment , strengthen our Institutional credibility and contribute meaningfully to the growth and stability of the Fixed income and derivative space.

Thank you.

(Ravi Ranjan)

Chairman