

भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA www.rbi.org.in

RBI/2009-10/391 RPCD.RRB.BC.No.68 /03.05.34/2009-10

April 9, 2010

The Chairman All Regional Rural Banks/Sponsor Banks

Dear Sir,

Investment in SLR Securities by Regional Rural Banks (RRBs)

Please refer to our <u>circular RPCD.RRB.BC.No.94/03.05.34/2008-09</u> dated March 26, 2009 on the above subject.

2. On a review of the issue it has been decided that the exemption granted to RRBs up to the financial year 2008-09 from 'mark to market' norms in respect of their investments in SLR securities be extended by one more year i.e. for the financial year 2009-10. Accordingly, RRBs will have the freedom to classify their entire investment portfolio of SLR securities under 'Held to Maturity' for the financial year 2009-10 with valuation on book value basis and amortisation of premium, if any, over the remaining life of securities.

3. Please acknowledge receipt to the respective Regional Office.

Yours faithfully,

(A.K.Pandey) General Manager

ग्रामीण आयोजना और ऋण विभाग, केद्रीय कार्यालय, 10 वीं मंजिल, केद्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉकस सं.10014, मुम्बई-400 001 Rural Planning & Credit Department Central Office, 10th Floor, Central Office Building, post box no. 10014 Mumbai -400 001 टेलिफोन/Tel No: 91-22-22601000 फैक्स/Fax No: 91-22-22610943/22610648/22658276 ई-मेलEmail ID:cgmicrpcd@rbi.org.in