



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 [circular RPCD.RRB.BC.No.94/03.05.34/2008-09](http://www.rbi.org.in/circular/RPCD.RRB.BC.No.94/03.05.34/2008-09) 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