



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA

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**SPEED POST**

RBI/2008-09/420

RPCD.RRB.BC.No.94 /03.05.34/2008-09

March 26, 2009

**The Chairman  
All Regional Rural Banks/Sponsor Banks**

Dear Sir,

**Valuation of investment in SLR/Approved Securities by  
Regional Rural Banks (RRBs)**

Please refer to our circular [RPCD.RRB.BC.No.87/03.05.34/2006-07](http://www.rbi.org.in/links/RRB/RRB%20Circulars/RRB%20Circular%20No%2087%2003%2005%2034%202006%2007.pdf) dated May 8, 2007 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 2007-08 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 2008-09. Accordingly, RRBs will have the freedom to classify their entire investment portfolio of SLR securities under 'Held to Maturity' for the financial year 2008-09 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