



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

RBI/2014-15/168

RPCD.CO.RRB. BC.No. 25/03.05.33/2014-15

August 7, 2014

All Regional Rural Banks

Dear Sir,

**Monetary Policy Statement 2014-15 –
SLR Holdings under Held to Maturity Category**

Please refer to paragraph 11 of the Third Bi-Monthly Monetary Policy Statement, 2014-15 (extract enclosed) announced on August 5, 2014 relating to banks' total holdings of SLR securities in the held to maturity (HTM) category.

2. In terms of para 1.2 of our [circular RPCD.CO.RRB.BC.No. 74/03.05.33/2013-14 dated January 07, 2014](#) on 'Guidelines for Classification, Valuation and Provisioning', RRBs were permitted to exceed the limit of 25.00 per cent of total investments under the HTM category provided the excess comprised only SLR securities and the total SLR securities held in the HTM category was not more than 24.50 per cent of their NDTL as on last Friday of the second preceding fortnight.

3. In consonance with the calibrated reduction in the SLR and in order to enable RRBs greater participation in financial markets, the above ceiling for SLR holdings in HTM category is being brought down to 24 per cent of NDTL with effect from the fortnight beginning August 9, 2014. Accordingly, it is advised that with effect from August 9, 2014, RRBs are permitted to exceed the limit of 25 per cent of total investments under HTM category provided the excess comprises only SLR

ग्रामीण आयोजना और ऋण विभाग, केन्द्रीय कार्यालय, 10 वी मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, पोस्ट बॉक्स सं. 10014, मुंबई - 400 001

Rural Planning & Credit Dept., Central Office, 10th Floor, Central Office Building, Shahid Bhagat Singh Marg, P.B.No.10014, Mumbai 400001

टेली Tel:022-22601000 फैक्स: 91-22-22621011/22610943/22610948 ई-मेल : cgmicrpcd@rbi.org.in

“चेतावनी : -मेल रिज़र्व बैंक द्वारा डाक, एसएमएस या फोन कॉल के जरिए किसी की भी व्यक्तिगत जानकारी जैसे बैंक के खाते का ब्यौरा, पासवर्ड आदि नहीं मांगी जाती है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी तरीके से जवाब मत दीजिए।”

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.

securities, and the total SLR securities held in the HTM category is not more than 24.00 per cent of their NDTL as on the last Friday of the second preceding fortnight.

4. As per extant instructions, banks may shift investments to/from HTM with the approval of the Board of Directors once a year and such shifting will normally be allowed at the beginning of the accounting year. In order to enable banks to shift their excess SLR securities from the HTM category to AFS/HFT category in compliance with the instructions indicated in paragraph 3 above, it has been decided to allow one more such shifting by August 9, 2014.

Yours faithfully

(A. Udgate)

Principal Chief General Manager

**Extract from Third Bi-Monthly Monetary Policy Statement, 2014-15 By
Dr. Raghuram G. Rajan, Governor announced on August 5, 2014**

11. In consonance with the calibrated reduction in the SLR, it is necessary to enhance liquidity in the money and debt markets so that financial intermediation expands apace with a growing economy. Currently, banks are permitted to exceed the limit of 25 per cent of total investments under the held to maturity (HTM) category provided the excess comprises only SLR securities, and banks' total holdings of SLR securities in the HTM category is not more than 24.5 per cent of their NDTL as on the last Friday of the second preceding fortnight. In order to enable banks greater participation in financial markets, this ceiling is being brought down to 24 per cent of NDTL with effect from the fortnight beginning August 9, 2014.