



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI/2010-11/254

DBOD. No. BP.BC. 56 /21.04.141/2010-11

November 1, 2010

The Chairmen and Managing Directors/
Chief Executive Officers of
All Commercial Banks
(excluding Regional Rural Banks)

Dear Sir,

Sale of Investments held under Held to Maturity (HTM) category

In terms of our [circular No. DBOD.BP.BC. 34/21.04.141/2010-11 dated August 6, 2010](#) on the captioned subject it was decided that if the value of sales and transfers of securities to/from HTM category exceeds 5 per cent of the book value of investments held in HTM category at the beginning of the year, bank should disclose the market value of the investments held in the HTM category and indicate the excess of book value over market value for which provision is not made.

2. In this connection, we clarify that the one-time transfer of securities to/from HTM category with the approval of Board of Directors permitted to be undertaken by banks at the beginning of the accounting year and sales to the Reserve Bank of

चकिंग परिचालन और विकास विभाग, केन्द्रीय कार्यालय,, 12वीं मंजिल, केन्द्रीय कार्यालय भवन, शहीद भगतसिंह मार्ग, मुंबई 400001

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हिंदी आसान है, इसका प्रयोग बढ़ाएँ

India under pre-announced OMO auctions will be excluded from the 5 per cent cap prescribed in the above mentioned circular.

3. It may be mentioned that in terms of para 4.2 of our Master Circular [DBOD.No.BP.BC.18/21.04.141/2010-11 dated July 1, 2010](#) on 'Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks', banks are permitted to undertake repos from any of the three categories of investments, viz., HFT, AFS and HTM.

4. Further, we clarify that these instructions will be effective from April 1, 2011.

Yours faithfully,

(B. Mahapatra)
Chief General Manager –in-Charge