



भारतीय रिजर्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2018-19/28

DBR.BP.BC.No.002 /21.04.141/2018-19

July 27, 2018

All Banks and  
All India Financial Institutions,

Dear Sir,

**Prudential Norms for Classification, Valuation and  
Operation of Investment Portfolio by banks –  
Valuation of State Development Loans**

Please refer to paragraph 2 of the [Statement on Developmental and Regulatory Policies](#), issued as part of the [second Bi-monthly Monetary Policy Statement for 2018-19 dated June 06, 2018](#), wherein it was announced that securities issued by each state government should be valued based on observed prices.

2. It has now been decided that securities issued by each state government, i.e., State Development Loans (SDLs), shall be valued in a manner which would objectively reflect their fair value based on observed prices/yields.

3. Financial Benchmarks India Pvt. Ltd. (FBIL) shall make available prices for valuation of SDLs based on the above principles with effect from September 30, 2018 which should be used for valuation of SDLs from that date.

4. Till then banks shall continue to value SDLs as detailed in the [circular DBR.No.BP.BC.6/21.04.141/2015-16 dated July 1, 2015](#).

Yours faithfully

(Saurav Sinha)  
Chief General Manager-in-Charge