



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI/2026-27/35

DOR.STR.REC.15/21-04-018/2026-27

April 27, 2026

Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures)- Seventh Amendment Directions, 2026

Please refer to [Reserve Bank of India \(Commercial Banks – Financial Statements: Presentation and Disclosures\) Directions, 2025](#) (hereinafter referred to as ‘the Directions’).

2. Consequent to the issuance of [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#) and in exercise of the powers conferred by the section 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. The Amendment Directions modify the Directions as under:

(1) Under the table titled (1) Instructions for compilation of balance sheet under Chapter-II Balance Sheet and Profit and Loss Account, with regard to **Item:** Other Liabilities and Provisions (Schedule 5) with **Coverage:** Others (including provisions), the Note 4 under the column “*Notes and Instructions for compilation*” shall be modified as below:

“Provisions towards assets under Stage 1 and Stage 2 shall not be netted from gross advances and shown separately as ‘Provisions against assets under Stage 1 and Stage 2’ under ‘Others’ in Schedule 5 of the Balance Sheet.”

(2) Under the table titled (2) Instructions for compilation for compilation of Profit and Loss Account, with regard to **Item:** Interest Earned (Schedule 13) with **Coverage :** Interest / discount on advances / bills, the item (I) under column “*Notes and Instructions for compilation*” shall be modified to as below:

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/ 13वीं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001

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हिंदी आसान है, इसका प्रयोग बड़ाइए

“Includes interest and discount on all types of loans and advances like cash credit, demand loans, overdrafts, export loans, term loans, domestic and foreign bills purchased and discounted (including those rediscounted), overdue interest and interest subsidy, if any, relating to such advances / bills. With regards to assets specified under paragraph 17 of the [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#), the computation of interest shall be as per aforesaid Directions.”

(3) Under the table titled (2) Instructions for compilation for compilation of Profit and Loss Account, with regard to **Item: Interest Earned (Schedule 13) with Coverage :** Income on investments, the item (II) under column “*Notes and Instructions for compilation*” shall be modified as below:

“Includes all income derived from the investment portfolio by way of interest / discount, dividend.”

(4) Under the table titled (2) Instructions for compilation of Profit and Loss Account, with regard to **Item: Interest Expended (Schedule 15)**, the Notes item 2 under column “*Notes and Instructions for compilation*” shall stand deleted.

~~“While acquiring government and other approved securities, banks should not capitalise the broken period interest paid to seller as part of cost of the investment, but instead book it as an expense.”~~

(5) The Paragraph 6(2)(i) under **Accounting Standard 9 – Revenue Recognition**, shall be modified as below:

“Non-recognition of income by a bank in case of classification to Stage 3/non-performing advances/non-performing investments, in compliance with the regulatory prescriptions of the RBI, shall not attract a qualification by the statutory auditors as this would be in conformity with provisions of the standard, as it recognises postponement of recognition of revenue where collectability of the revenue is significantly uncertain.”

(6) Paragraph 6(11)(iii) of **Accounting Standard 28 – Impairment of assets** shall be modified as below:

“The Standard shall generally apply to non-banking assets acquired in settlement of claims only when the indications of impairment of the entity are evident.”

(7) Paragraph 10(1) (i) **Composition of regulatory capital**, shall be modified to insert item 10(1)(i)(a) as below:

“(i)(a) Transitional arrangement as provided under [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#)

A bank shall make appropriate disclosures in their financial statements regarding:

- (1) whether the regulatory transitional arrangement has been applied; and,
- (2) the impact of such arrangement on the bank’s regulatory capital and leverage ratios, as compared with the bank’s fully loaded capital and leverage ratios had such transitional arrangement not been applied.”

(8) Paragraph 10 (3) **Investments**, shall be modified to insert item **10(3)(x)** and **10(3)(xi)** as specified below:

10(3)(x) Credit quality of Investment assets that fall under the list of assets specified in paragraph 17 of [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#)

Particulars	(Amounts in ₹ crore)									
	As on March 31, current year					As on March 31, previous year				
	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired (POCI)	Total	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired (POCI)	Total
Investment										
Investment type 1										
Sovereign rated										
Rating Grade 1										
Rating Grade 2										
Rating Grade 3										
Rating Grade x										
Gross Carrying Amount										
Impairment loss allowance										
Net Carrying amount										
Investment type 2										
Sovereign rated										
Rating Grade 1										
Rating Grade 2										
Rating Grade 3										
Rating Grade x										
Gross Carrying Amount										
Impairment loss allowance										
Net Carrying amount										

10(3) (xi) Reconciliation of the opening balance with the closing balance of the Loss allowance for Investments that fall under the list of assets specified in paragraph 17 of [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#):

(Amounts in ₹ crore)										
Investments	Stage 1		Stage 2		Stage 3		POCI		Total	
	Gross amount	ECL loss allowance	Gross amount	ECL loss allowance	Gross amount	ECL loss allowance	Gross amount	ECL loss allowance	Gross amount	ECL loss allowance
Balance as on April 1, the Year before Previous Year	-		-		-		-		-	
Transfer to Stage 1	-		-		-		-		-	
Transfer to Stage 2	-		-		-		-		-	
Transfer to Stage 3	-		-		-		-		-	
Net remeasurement of loss allowance	-		-		-		-		-	
New financial assets originated during the year	-		-		-		-		-	
Matured or repaid	-		-		-		-		-	
Write-offs	-		-		-		-		-	
Balance as on March 31, Previous Year	-		-		-		-		-	
Transfer to Stage 1	-		-		-		-		-	
Transfer to Stage 2	-		-		-		-		-	
Transfer to Stage 3	-		-		-		-		-	
Net remeasurement of loss allowance	-		-		-		-		-	
New financial assets originated during the year	-		-		-		-		-	
Matured or repaid	-		-		-		-		-	
Write-offs	-		-		-		-		-	
Balance as on March 31, Current Year	-		-		-		-		-	

(9) The table under paragraph 10 (4) (ix) shall be modified as below:

(ix) Fraud accounts: A bank shall disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

	Current year	Previous year
Number of frauds reported		
Amount involved in fraud (₹ crore)		
Amount of provision made for such frauds (₹ crore)		

(10) Paragraph 10 (4) Asset Quality shall be modified to insert item **10(4) (xii) to 10(4)(xviii)**.

“10(4) (xii) Credit quality of Loan Assets that fall under the list of assets specified in paragraph 17 of Reserve Bank of India [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#)

Particulars	(Amounts in ₹ crore)									
	As on March 31, Current Year					As on March 31, Previous Year				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances										
Product type 1										
Current										
Past due 1–30 days										
Past due 31–60 days										
Past due 61–90 days										
Past due 90 days										
Gross Carrying Amount										
Impairment loss allowance										
Net Carrying amount										
Product type 2										
Current										
Past due 1–30 days										
Past due 31–60 days										
Past due 61–90 days										
Past due 90 days										
Gross Carrying Amount										
Impairment loss allowance										
Net Carrying amount										

10(4) (xiii) Credit quality of Loan commitments and financial guarantees that fall under the list of assets specified in paragraph 17 of [Reserve Bank of India](#)

(Commercial Banks-Asset Classification, Provisioning and Income Recognition)

Directions, 2026

(Amounts in ₹ crore)										
Particulars	As on March 31, Current Year					As on March 31, Previous Year				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	Notional Loan commitments									
Product type 1										
Product type 2										
Total										
Impairment loss allowance										
Carrying amount										
Financial guarantees										
Product type 1										
Product type 2										
Total										
Impairment loss allowance										
Carrying amount										

The above table shall also be provided for all other financial instruments which come under the purview of [Reserve Bank of India \(Commercial Banks-Asset Classification, Provisioning and Income Recognition\) Directions, 2026](#).

10(4) (xiv) Summary of Loan assets

(Amounts in ₹ crore)										
Particulars	Current Year					Previous Year				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Gross carrying amount										
Less: ECL allowance										

Net carrying amount									
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10(4) (xv) Reconciliation of the opening balance with the closing balance of the loss allowance for Loans in terms of Reserve Bank of India (Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2026

	Stage 1		Stage 2		Stage 3		Total	
	Gross loan amount	ECL loss allowance	Gross loan amount	ECL loss allowance	Gross loan amount	ECL loss allowance	Gross loan amount	ECL loss allowance
Balance as on April 1, Year before Previous Year	-		-	-	-	-		
Transfer to Stage 1	-		-	-	-	-		
Transfer to Stage 2	-		-	-	-	-		
Transfer to Stage 3	-		-	-	-	-		
Net remeasurement of loss allowance	-		-	-	-	-		
New financial assets originated during the year	-		-	-	-	-		
Matured or repaid	-		-	-	-	-		
Write-offs	-		-	-	-	-		
Balance as on March Previous Year	-		-	-	-	-		
Transfer to Stage 1	-		-	-	-	-		
Transfer to Stage 2	-		-	-	-	-		
Transfer to Stage 3	-		-	-	-	-		
Net remeasurement of loss allowance	-		-	-	-	-		
New financial assets originated during the year	-		-	-	-	-		
Matured or repaid	-		-	-	-	-		
Write-offs	-		-	-	-	-		
Balance as on March current Year	-		-	-	-	-		

10(4) (xvi) Reconciliation of the opening balance with the closing balance of the loss allowance for Loan Commitments in terms of Reserve Bank of India (Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2026

(Amounts in ₹ crore)					
Loan commitments	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as on April 1, The year before previous Year	-	-	-	-	-
Net remeasurement of loss allowance					
New loan commitments	-	-	-	-	-
Balance as on March 31, Previous Year	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-
New loan commitments	-	-	-	-	-
Balance as on March 31, Current Year	-	-	-	-	-

10(4) (vii) Reconciliation of the opening balance with the closing balance of the loss allowance for Financial Guarantee Contracts in terms of Reserve Bank of India (Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2026

(Amounts in ₹ crore)					
Financial Guarantee Contracts	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as on April 1, The year before previous Year	-	-	-	-	-
Net remeasurement of loss allowance					
New financial Guarantees	-	-	-	-	-

Balance as on March 31, Previous Year	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-
New financial Guarantees	-	-	-	-	-
Balance as on March 31, Current Year	-	-	-	-	-

10(4)(viii) Reconciliation of the opening balance with the closing balance of the loss allowance for other financial instruments in terms of Reserve Bank of India (Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2026

(Amounts in ₹ crore)					
Others	Stage 1	Stage 2	Stage 3	POCI	Total
Balance as on April 1, The year before previous Year	-	-	-	-	-
Net remeasurement of loss allowance					
New financial instruments originated	-	-	-	-	-
Balance as on March 31, Previous Year	-	-	-	-	-
Net remeasurement of loss allowance	-	-	-	-	-
New financial instruments originated	-	-	-	-	-
Balance as on March 31, Current Year	-	-	-	-	-

(11) The table specified under paragraph 10(5)(iii) **Risk category-wise country exposure**, shall be modified as below:

Amount in ₹ crore)		
Risk Category*	Exposure (net) as at March... (Current Year)	Exposure (net) as at March... (Previous Year)
Insignificant		
Low		
Moderately Low		
Moderate		
Moderately High		
High		
Very High		

Total				
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*Till a bank moves over to internal rating systems, it shall use the seven-category classification followed by Export Credit Guarantee Corporation of India Ltd. (ECGC) for the purpose of classification for country risk exposures. ECGC shall provide to a bank, on request, quarterly updates of their country classifications and shall also inform banks in case of any sudden major changes in country classification in the interim period.

Note: If a bank has no exposure to country risk in both the current and previous year, it may omit disclosure of the table while mentioning that it has no exposure to country risk.”

(12) The paragraph 10(5)(vii) Unhedged foreign currency exposure, shall be modified as below:

“Unhedged foreign currency exposure: A bank shall disclose its policies to manage currency induced credit risk. The bank shall also disclose the incremental capital held by it towards this risk.”

4. The above amendments shall come into force from April 01, 2027.

(Vaibhav Chaturvedi)
Chief General Manager