



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

RBI/2018-19/157

DBR.BP.BC.No.32/21.04.018/2018-19

April 1, 2019

All Commercial Banks  
(Excluding Regional Rural Banks)

Madam / Dear Sir,

**Disclosure in the "Notes to Accounts" to the Financial Statements - Divergence in the asset classification and provisioning**

Please refer to our [circular DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017](#), on the captioned subject, requiring disclosures by banks where divergences from prudential norms on income recognition, asset classification and provisioning exceed certain thresholds.

2. It is observed that some banks, on account of low or negative net profit after tax, are required to disclose divergences even where the additional provisioning assessed by RBI is small, which is contrary to the regulatory intent that only material divergences should be disclosed. Therefore, it has been decided that henceforth, banks should disclose divergences, if either or both of the following conditions are satisfied:

- (a) the additional provisioning for NPAs assessed by RBI exceeds 10 per cent of the reported profit before provisions and contingencies for the reference period, and
- (b) the additional Gross NPAs identified by RBI exceed 15 per cent of the published incremental Gross NPAs for the reference period.

बैंकिंग विनियमन विभाग, केंद्रीय कार्यालय, 12 वीं और 13 वीं मंजिल, केंद्रीय कार्यालय भवन, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई-400001  
दूरभाष: 022-22601000 फैक्स: 022-22705691 ई-मेल: cgmicdbr@rbi.org.in

Department of Banking Regulation, Central Office, 12<sup>th</sup> and 13<sup>th</sup> Floor, Central Office Building, Shahid Bhagat Singh Marg, Fort, Mumbai- 400 001  
Tel: 022- 2260 1000 Fax: 022-2270 5691 email: cgmicdbr@rbi.org.in

हिंदी आसान है इसका प्रयोग बढ़ाइए



3. All other instructions of our aforementioned [circular dated April 18, 2017](#) would remain unchanged.

Yours faithfully,

(Saurav Sinha)

Chief General Manager-in-Charge