



CIRCULAR

CIR/CFD/CMD/80/2017

July 18, 2017

To

All banks which have listed specified securities

All recognized stock exchanges

Dear Sir / Madam,

**Sub: Disclosure of divergence in the asset classification and provisioning by banks**

1. Reserve Bank of India (RBI), vide its Notification No. RBI/2016-17/283; DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, requires disclosures by banks in a prescribed format in certain cases of divergence in the asset classification and provisioning. The Notification requires the disclosures to be made in the Notes to Accounts in the ensuing Annual Financial Statements published immediately following communication of such divergence by RBI to the bank.
2. Accordingly, all banks which have listed specified securities shall comply with the following:
  - a) The banks shall disclose to the stock exchanges divergences in the asset classification and provisioning wherever:
    - (i) the additional provisioning requirements assessed by RBI exceed 15 percent of the published net profits after tax for the reference period; and/or
    - (ii) the additional Gross NPAs identified by RBI exceed 15 percent of the published incremental Gross NPAs for the reference period.
  - b) The disclosures shall be made in the format specified in the Annex to the aforesaid RBI's notification. This format is also placed as Annexure to this circular for reference.
  - c) The disclosures shall be placed as an Annexure to the annual financial results filed with the stock exchanges in accordance with clause (d) of sub-regulation (3) of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Such disclosures shall be made along with the annual financial results filed immediately following communication of such divergence by RBI to the bank.



**भारतीयप्रतिभूतिऔरविनिमयबोर्ड**

**Securities and Exchange Board of India**

3. The Stock Exchanges are advised to bring the provisions of this circular to the notice of banks which have listed specified securities and to disseminate the same on their websites.
4. This circular is issued under Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework/Circulars".

Yours faithfully,

**Pradeep Ramakrishnan**  
**Deputy General Manager**  
**Corporate Finance Department**  
**Compliance and Monitoring Division and Forensic Accounting Cell**  
**Tel No.022-2644 9246**  
**Email id - [pradeepr@sebi.gov.in](mailto:pradeepr@sebi.gov.in)**



**Divergence in Asset Classification and Provisioning for NPAs**

		(Rs in thousands)
<b>Sr.</b>	<b>Particulars</b>	<b>Amount</b>
1.	Gross NPAs as on March 31, 20XX* as reported by the bank	
2.	Gross NPAs as on March 31, 20XX as assessed by RBI	
3.	Divergence in Gross NPAs (2-1)	
4.	Net NPAs as on March 31, 20XX as reported by the bank	
5.	Net NPAs as on March 31, 20XX as assessed by RBI	
6.	Divergence in Net NPAs (5-4)	
7.	Provisions for NPAs as on March 31, 20XX as reported by the bank	
8.	Provisions for NPAs as on March 31, 20XX as assessed by RBI	
9.	Divergence in provisioning (8-7)	
10.	Reported Net Profit after Tax (PAT) for the year ended March 31, 20XX	
11.	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 20XX after taking into account the divergence in provisioning	

\* March 31, 20XX is the close of the reference period in respect of which divergences were assessed