



# Reserve Bank Of India (Commercial Banks – Financial Statements: Presentation And Disclosures) – Seventh Amendment Directions, 2026

RBI, vide circular dated April 27, 2026, has issued the Seventh Amendment Directions, 2026 to the Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Directions, 2025. The above amendments shall come into force from April 1, 2027.

The amendments align disclosure and presentation requirements with the newly issued RBI Asset Classification, Provisioning and Income Recognition (ACPIR) Directions, 2026 and introduce enhanced disclosures relating to Expected Credit Loss (ECL), stage-wise asset classification, fraud reporting, regulatory capital transition arrangements and country risk exposure.

## Key Amendments Introduced are as follows:

- Provisions towards assets under Stage 1 and Stage 2 provisions are now required to be presented separately under 'Other Liabilities and Provisions' instead of being netted off from gross advances in the balance sheet.
- Interest income recognition guidance has been updated to align with the RBI ACPIR Directions, 2026, including computation of interest on specified financial assets.
- RBI has clarified that interest earned under Schedule 13 shall include income from all types of loans and advances such as cash credit, overdrafts, export loans, term loans and discounted bills, including overdue interest and interest subsidy.
- Income on investments under Schedule 13 shall now explicitly include interest, discount income and dividend income arising from the investment portfolio.
- Banks are no longer permitted to capitalise broken period interest paid on acquisition of government and approved securities and such amount shall be recognised as expense.
- Revised guidance under Accounting Standard 9 clarifies that non-recognition of income on Stage 3 / non-performing assets in line with RBI norms shall not attract statutory audit qualification.
- Enhanced disclosure requirements have been introduced for investments, loans, financial guarantees and loan commitments using Stage 1, Stage 2, Stage 3 and Purchased or Originated Credit Impaired (POCI) classifications.
- Detailed reconciliation formats for ECL loss allowance movements have been prescribed for investments, loans, loan commitments, financial guarantee contracts and other financial instruments.
- Banks are now required to disclose whether regulatory capital transitional arrangements have been applied and quantify the impact on capital and leverage ratios.
- Fraud account disclosure requirements have been revised to include number of frauds reported, amount involved and provisioning made thereon.
- Country risk exposure disclosures have been aligned with ECGC risk categories and revised disclosure templates have been prescribed.
- Banks are required to disclose policies for management of currency induced credit risk along with incremental capital held against unhedged foreign currency exposure.



The amendments are expected to significantly enhance transparency and comparability of financial statement disclosures across banks. Banks will need to strengthen ECL computation frameworks, staging methodologies, disclosure systems and data governance processes to comply with the revised reporting requirements. The revised disclosure formats may also require changes in CBS, finance reporting tools and internal control frameworks to ensure accurate stage-wise reporting and reconciliation of loss allowances. These are steps to gradually align banks financial reporting to the internationally aligned standards, Ind AS.

Kindly refer [RBI/2026-27/35 – DOR.STR.REC.15/21-04-018/2026-27](#) dated April 27, 2026 for detailed formats.