



CIRCULAR

CIR/CFD/CMD1/ 79 /2019

July 17, 2019

To

All banks which have listed specified securities
All the Recognized Stock Exchanges

Madam / Sir,

Sub: Modification of circular dated July 18, 2017 on 'Disclosure of divergence in the asset classification and provisioning by banks'

1. Vide Circular No. SEBI/CIR/CFD/CMD/80/2017 dated July 18, 2017, it was specified that banks which have listed specified securities shall disclose to the stock exchanges, divergences in the asset classification and provisioning wherever the additional provisioning requirements assessed by RBI/ the additional Gross NPAs identified by RBI exceeded a certain threshold.
2. The aforesaid SEBI circular was derived from RBI's Notification No. RBI/2016-17/283; DBR.BP.BC.No.63/21.04.018/2016-17 dated April 18, 2017, which required listed banks to make disclosures in the asset classification and provisions in the "Notes to Accounts" to the Financial Statements.
3. It is noted that RBI has now modified the disclosure requirements varying the aforesaid thresholds, vide its Notification No. RBI/2018-19/157; DBR.BP.BC.No.32/21.04.018/2018-19 dated April 1, 2019.
4. In line with the revised RBI requirements, all banks which have listed specified securities shall disclose to the stock exchanges divergences in the asset classification and provisioning, 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.
5. The Circular No. SEBI/CIR/CFD/CMD/80/2017 dated July 18, 2017 shall stand modified to the extent as specified above. Other requirements specified in the circular shall remain unchanged.
6. This circular shall come into force with immediate effect.



7. 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.
8. This circular is issued under Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
9. The circular is available on SEBI website at www.sebi.gov.in under the category 'Legal→Circulars'.

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