



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

RBI/2024-25/126

DOR.ACC.REC.No.66/21.04.018/2024-25

March 20, 2025

Madam / Sir,

**Reserve Bank of India (Financial Statements - Presentation and Disclosures)
Directions, 2021: Clarifications**

The Reserve Bank has received queries and suggestions from banks and Indian Banks' Association (IBA) on certain aspects of disclosures in the notes to accounts to the financial statements as well as on the notes and instructions for compilation of balance sheet specified in the Annex II Part A of the [Reserve Bank of India \(Financial Statements - Presentation and Disclosures\) Directions, 2021](#).

2. The queries and suggestions received, and the clarifications thereof are enclosed in the [Annex](#).

Applicability

3. These instructions are applicable to all commercial and cooperative banks for preparation of financial statements for the financial year ending March 31, 2025 and onwards.

4. The [Reserve Bank of India \(Financial Statements-Presentation and Disclosures\) Directions, 2021](#) shall be updated suitably to reflect these changes.

Yours faithfully,

(Usha Janakiraman)

Chief General Manager-in-Charge

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हिंदी आसान है इसका प्रयोग बढ़ाइए

Sr. No.	Queries / Suggestions	Clarification
1.	Reference is invited to Notes and Instructions for Compilation of Balance Sheet specified in Part A of Annex II with respect to Schedule 5: Other Liabilities and Provisions: Others (including provisions) of the Directions <i>ibid</i> in terms of which certain types of deposits where the repayment is not free, shall also be included under this head. We have received queries from banks on the classification in the balance sheet, of margin money received in the form of deposits, where lien is marked by banks in the ordinary course of business.	It is clarified that lien marked deposits shall continue to be classified under Schedule 3: Deposits with suitable disclosures.
2.	In terms of Notes and Instructions for Compilation for Balance Sheet in Annex II Part A for Schedule 9 (B) (ii): Advances Covered by Bank/Government Guarantee of the Directions <i>ibid</i> , whether advances guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) should be disclosed under Schedule 9 (B) (ii) (i.e., advances covered by bank/government guarantees) or under Schedule 9(B) (iii) (i.e., unsecured advances)?	It is clarified that advances, to the extent they are covered by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) and individual schemes under National Credit Guarantee Trustee Company Ltd. (NCGTC), which are backed by explicit Central Government Guarantee, in terms of paragraph 5.2.3 and 5.2.4 of Master Circular DOR.CAP.REC.4/21.06.201/2024-25 on Basel III Capital Regulations dated April 1, 2024 , as amended from time to time, shall also be disclosed under Schedule 9 (B) (ii) i.e. 'Advances Covered by Bank/Government Guarantee'.
3.	Whether <i>market value</i> of repo and reverse repo transactions would better reflect the financials of banks instead of <i>face value</i> in terms of disclosures prescribed in Paragraph C. 3(e) of Annex III Disclosure in Financial Statements: Notes to Accounts to the Directions <i>ibid</i> ?	It is clarified that disclosures on repo/ reverse repo transactions shall be done in market value terms as well as face value terms.