भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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DOR.STR.REC. 160 /21-04-048/2026-27 July 16, 2026

**Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Second Amendment Directions, 2026**

Please refer to Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Third Amendment Directions, 2026 dated July 16, 2026.

2. Consequent to the aforesaid Amendment Directions, in exercise of the powers conferred by the sections 21 and 35A of the Banking Regulation Act, 1949 and all other laws enabling the Reserve Bank in this regard, the Reserve Bank being satisfied that it is necessary and expedient in the public interest so to do, hereby issues the Amendment Directions hereinafter specified.

3. These Amendment Directions modify the Directions as under:

(i) The following shall be inserted in Chapter V – Income Recognition:

> ***"E1. Income Recognition in case of acquisition of Specified Non-Financial Assets (SNFA)***
>
> *139C. Any accrued but unrealised interest and / or charges from the extinguished exposure pertaining to periods prior to acquisition of an SNFA, shall not be recognised as income upon acquisition of the SNFA. Where such income has been recognised in respect of any SNFA outstanding in the books of a bank as on September 30, 2026, , it shall be reversed through Profit and Loss account, latest by September 30, 2027, to the extent remaining unrealised as on that date.*
>
> *139D. Any income received from an SNFA shall be recognised in the income statement as 'non-interest / other income', in the financial year in which it is realised. Similarly, any expense incurred towards upkeep of an SNFA shall be accounted for in the income statement in the financial year in which it is incurred.".*

विनियमन विभाग, केंद्रीय कार्यालय, केंद्रीय कार्यालय भवन, 12वीं/ 13वीं मंज़िल, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400001
टेलीफोन/ Tel No: 22661602, 22601000 फैक्स/ Fax No: 022-2270 5691
Department of Regulation, Central Office, Central Office Building, 12th/ 13th Floor, Shahid Bhagat Singh Marg, Fort, Mumbai – 400001

4. The above amendment would come into force with effect from October 01, 2026.

(Vaibhav Chaturvedi)
Chief General Manager