



**Programme Brochure**  
**On-line Training Programme on**  
**“IRAC Norms**  
**and Concentration Risk Management”**

**(17 April 2026)**

**Website: [www.birdmangaluru.in](http://www.birdmangaluru.in)**



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**BY NABARD**



# On-line Training Programme on “IRAC Norms and Concentration Risk Management”

(17 April 2026)

## Introduction:

Prudential regulation of banks through well-defined norms on Income Recognition, Asset Classification and Provisioning (**IRAC**) and Concentration Risk Management constitutes a cornerstone of financial stability and depositor protection. These frameworks ensure that a bank’s financial position is presented in a true, transparent and realistic manner, while at the same time curbing excessive risk-taking and concentration of exposures.

In exercise of the powers conferred under the Banking Regulation Act, 1949 (AACS), the Reserve Bank of India has, from time to time, issued regulatory instructions to strengthen risk management and supervisory discipline in the banking sector. In respect of Rural Cooperative Banks (State Cooperative Banks and Central Cooperative Banks), these prudential norms have now been comprehensively consolidated and updated through the issuance of the Reserve Bank of India (**RCBs – Income Recognition, Asset Classification and Provisioning Directions, 2025**) and the Reserve Bank of India (**RCBs – Concentration Risk Management) Directions, 2025**, both notified on 28 November 2025.

The revised IRAC Directions place strong emphasis on system-driven and time-bound identification of stress in loan accounts, accurate classification of assets based on objective criteria such as “overdue” and “out-of-order” status, uniform treatment of special mention accounts (SMAs) and non-performing assets (NPAs), and adequate provisioning linked to the degree of credit impairment. The Directions also reinforce strict discipline in income recognition, requiring banks to recognise income strictly on the basis of recovery, and to reverse or provide for unrealised interest in NPAs, thereby preventing overstatement of profits and erosion of net worth.

Simultaneously, the Concentration Risk Management Directions recognize that excessive exposure to a single borrower, group of borrowers, or particular sector can pose systemic and idiosyncratic risks to Rural Cooperative Banks, especially given their limited capital base and localized area of operation. Accordingly, the Directions prescribe clear exposure ceilings at individual, unit-wise and sector-wise levels, linked to capital funds, lendable resources and NABARD inspection ratings. They also underscore the responsibility of the Board of Directors in formulating, implementing and periodically reviewing exposure policies, and mandate structured reporting of exposure violations through supervisory returns.

Experience from inspections and supervisory reviews indicates that gaps in understanding and inconsistent application of IRAC norms, delayed recognition of NPAs, incorrect provisioning, and breaches of exposure limits continue to be areas of concern in a number of Rural Cooperative Banks. Such deviations not only affect the financial soundness and supervisory ratings of banks but also attract supervisory and enforcement actions, given the explicit penal consequences in the RBI Directions for non-compliance.

In this context, there is a compelling need to build a uniform, updated and practical understanding of the IRAC and Concentration Risk Management framework among Directors, Chief Executives and senior functionaries of Rural Cooperative Banks. The present training programme is therefore conceived as a focused capacity-building initiative to deepen comprehension of the regulatory intent, operational nuances and supervisory expectations underlying the RBI Directions, and to enable banks to move towards sustainable, inspection-ready compliance, rather than post-facto corrective action.

The timing of the programme assumes particular significance as Rural Cooperative Banks are in the process of **closing and preparing their books of accounts for the financial year 2025-26**, which is the **first full financial year of implementation** of the revised RBI Directions on IRAC Norms and Concentration Risk Management dated 28 November 2025. Correct interpretation and uniform application of these Directions at this stage is critical, as **any misclassification of assets, incorrect income recognition, inadequate provisioning or breach of exposure limits has a direct bearing on the true and fair view of the financial statements.**

Experience indicates that **a majority of adverse comments, qualifications and long-form observations by Statutory Auditors and NABARD inspection teams** arise not from intent, but from **inconsistent or incorrect interpretation of regulatory instructions**, particularly in areas such as:

- Identification of overdue and “out-of-order” accounts based on day-end processes,
- Recognition and reversal of unrealised interest on NPAs,
- Upgradation of NPA accounts without full clearance of arrears across all facilities,
- Provisioning for sub-standard, doubtful and loss assets, including cases of security erosion, and
- Computation and monitoring of individual, unit-wise and sector-wise exposure limits linked to capital funds, lendable resources and inspection ratings.

The training programme, by providing **section-wise clarity and practical interpretation** of the RBI Directions, will assist banks in **aligning their closing entries, provisioning computations, income recognition practices and exposure monitoring statements** strictly in accordance with regulatory prescriptions. This, in turn, will help banks in **avoiding or minimising audit comments, inspection observations and supervisory divergences** during statutory audit and NABARD inspection for FY 2025-26.

The other details of the programme are as follows:

Name of Training Programme	<b>IRAC Norms and Concentration Risk Management</b>
Programme Directors	Shri Baidya Nath Singh, DGM/Faculty Member
Mode of Programme	Online
Date	<b>17 April 2026</b>

Time	<b>10:30 A.M to 01:30 P.M (17 April 2026)</b>
No. of Sessions	<b>02</b>
Target group	<b>Senior Officials/Other Officials of RCBs (State Cooperative Banks and District Central Cooperative Banks)</b>
Programme Objectives:	<p>The programme is designed to:</p> <ul style="list-style-type: none"> <li>• Provide a <b>comprehensive understanding</b> of IRAC norms applicable to RCBs as per RBI Directions, 2025</li> <li>• Explain the <b>principles and mechanics of asset classification</b>, including SMA, NPA identification and upgradation</li> <li>• Clarify <b>income recognition standards</b>, including treatment of unrealised interest and recoveries in NPAs</li> <li>• Develop clarity on <b>provisioning requirements</b> for standard, sub-standard, doubtful and loss assets</li> <li>• Familiarise participants with the <b>framework for concentration risk management</b>, including exposure ceilings and exemptions</li> <li>• Enhance the capacity of RCBs to achieve <b>sustained regulatory compliance and supervisory readiness</b></li> </ul>
Programme Coverage / Agenda	<p><b>Session I: IRAC Norms for Rural Cooperative Banks</b> (As per RBI IRAC Directions, 2025)</p> <ul style="list-style-type: none"> <li>• Scope, applicability and key definitions</li> <li>• Concepts of <i>overdue, out-of-order, SMA</i> and <i>NPA</i></li> <li>• Asset classification norms for: <ul style="list-style-type: none"> <li>○ Term loans</li> <li>○ CC/OD accounts</li> <li>○ Agricultural advances (short- and long-duration crops)</li> <li>○ On-lending and consortium advances</li> </ul> </li> <li>• Categories of NPAs: Sub-standard, Doubtful and Loss assets</li> <li>• Special cases including Government-guaranteed advances, staff loans and advances against deposits</li> <li>• <b>Provisioning norms</b> for standard, sub-standard, doubtful and loss assets</li> <li>• Treatment of fraud accounts and erosion in security value</li> <li>• <b>Income recognition norms:</b> <ul style="list-style-type: none"> <li>○ Unrealised interest</li> <li>○ Treatment of income on NPAs</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Appropriation of recoveries</li> <li>• Disclosure and reporting requirements</li> </ul> <p><b>Session II: Concentration Risk Management Framework</b> (As per RBI CRM Directions, 2025)</p> <ul style="list-style-type: none"> <li>• Concept and regulatory rationale for concentration risk management</li> <li>• Role of the <b>Board and policy framework</b></li> <li>• Definitions of exposure, capital fund and lendable resources</li> <li>• <b>Individual exposure norms</b> (including housing loans) linked to NABARD inspection ratings</li> <li>• <b>Unit-wise and sector-wise exposure limits</b></li> <li>• Aggregate limits for housing finance and CRE-Residential Housing</li> <li>• Exemptions from exposure norms and conditions thereof</li> <li>• Procedure for seeking relaxations from NABARD</li> <li>• Monitoring, reporting and <b>CMA-1 returns through ENSURE Portal</b></li> <li>• Supervisory and enforcement consequences of non-compliance</li> </ul>
Methodology	On-line sessions include interactive lectures and discussions.
Certificate and Reading Materials	Certificate and Reading Material will be provided to the registered participants who attend all the sessions of the programme.

**Teams Link:** Participants can participate in the programme through laptop, desktop, mobile, tab, etc. A copy of link is also given herewith:

**Join Through link:**

**[On-line Training Programme on "IRAC Norms and Concentration Risk Management" \(17 April 2026\) | Meeting-Join | Microsoft Teams](#)**

Meeting ID: 437 731 307 135 96

Passcode: 8z3NF9mC

**Fee & Mode of Payment:** *Free of Cost/ no participation fee* is collected towards imparting the training.

**Nominations:** You are requested to enter the details of the officers whom you wish to nominate through the Microsoft Form link given below or scan the QR code. If you are going to nominate multiple officers, please submit individual responses.

<https://forms.cloud.microsoft/r/e2yPVVi6jw>



If you wish to submit your nomination through e-mail ([birdmngnomination@nabard.org](mailto:birdmngnomination@nabard.org)), you are advised to submit your nominations in the below prescribed format:

<b>Name of the Bank/ Institution</b>	<b>Name/s of the person being nominated</b>	<b>Designation</b>	<b>Mobile Number</b>	<b>Email id</b>

Banks are encouraged to arrange collective participation by facilitating the online training from a common venue, such as a conference hall, for the nominated officials.

### **Important Instructions:**

**The nominating banks are advise to share the following important instructions to nominated officials attending the online training programme:**

<b><u>DO's for Participants</u></b>	<b><u>DON'Ts for Participants</u></b>
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**1. Before the Session**

- Join the session 5–10 minutes early to check audio, video, and internet connectivity.
- Use a laptop/desktop where possible for better visibility and interaction.
- Ensure a stable internet connection to avoid disruptions.
- Read the programme instructions, schedule, and materials shared in advance.

**2. During the Session**

- Keep your microphone muted unless speaking.
- Use your real/full name as per registration for easy identification.
- Dress in formal or semi-formal attire, as per institutional etiquette
- Actively participate through:
  - Chat box
  - Polls
  - Q&A sessions
- Maintain discipline, professionalism, and courtesy while interacting with faculty and co-participants.
- Use the “Raise Hand” feature before speaking (if enabled).

**3. Academic & Ethical Conduct**

- Attend all sessions to be eligible for certificate/reading materials.
- Complete tests, assignments, feedback forms, and evaluations on time.
- Respect copyright and confidentiality of training materials.

**1. Technical & Behavioural**

- Do not join from noisy or public places.
- Do not keep microphone unmuted unnecessarily.
- Do not attend sessions while driving, walking, or multitasking.
- Avoid frequent joining and leaving the session without valid reasons.

**2. Professional Conduct**

- Do not use inappropriate language, comments, or reactions in chat or audio.
- Do not interrupt faculty or other participants.
- Avoid casual dressing, lying down, or unprofessional postures on camera.

**3. Content & Security**

- Do not record, screenshot, or share session content without permission.
- Do not share meeting links, IDs, or passwords with unauthorised persons.
- Avoid using fake names or multiple logins.

**About BIRD**

Bankers Institute of Rural Development (BIRD), Mangaluru, an ISO 9001:2015 certified Institution (formerly known as Regional Training College, NABARD, Mangalore) is established by National Bank for Agriculture and Rural Development (NABARD) and is engaged in training and capacity building of the officials of the Rural Financial Institutions viz., Commercial Banks (CBs), Regional Rural Banks (RRBs), Cooperative Banks, Government and Non-Government organizations particularly in the States of Andhra Pradesh, Telangana, Goa, Karnataka, Kerala, Maharashtra, Gujarat and Tamil Nadu. The Institute organizes in-house and on-location training programmes, besides customised

programmes for banks, workshops/seminars and studies of current interest, etc. During the last 42 years, nearly 80,000 officers of various client institutions have benefited through programmes conducted by the Institute. The Institute is also involved in conducting International Programs.

BIRD has very good ambience for academic pursuits, necessary infrastructure, learning aids including an excellent library and exclusive computer lab with internet facility. Participants are provided with single occupancy, self-contained air-conditioned rooms during the in-house programs.

For further enquiries, please feel free to contact:

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