



**CAFRAL**

CENTRE FOR ADVANCED FINANCIAL  
RESEARCH AND LEARNING

Promoted by Reserve Bank of India

# ANNUAL REPORT

## 2023-24

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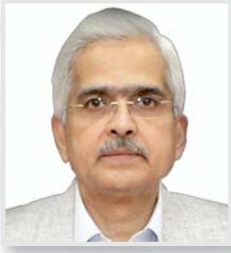
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# CAFRAL Governing Council



**Shri Shaktikanta Das**  
Chairman, GC &  
Governor,  
Reserve Bank of India



**Dr. Michael Debabrata Patra**  
Deputy Governor,  
Reserve Bank of India



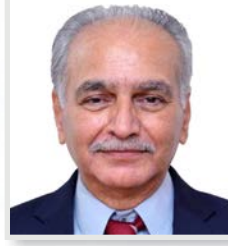
**Shri Swaminathan Janakiraman**  
Deputy Governor,  
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**Dr. Pami Dua**  
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Director, Indian Institute of Bank  
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**Shri B P Kanungo**  
Director, CAFRAL







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# About CAFRAL

The Centre for Advanced Financial Research And Learning (CAFRAL) has been set up by the Reserve Bank of India (RBI) in the backdrop of India's evolving role in the global economy, in the financial services sector and its position in various international fora and to develop into a world class global institution for research and learning in banking and finance. CAFRAL is a not-for-profit organisation established as a Society and a Trust; it is an independent body promoted by RBI.

The Governor of RBI is the Chairman of the Governing Council of CAFRAL. CAFRAL's learning arm is engaged in conducting seminars, conferences and other learning programs that serve as a platform for exchange of high-level policy dialogues between the various stakeholders by bringing together regulators, policy makers, bankers, academicians, researchers and practitioners. It also conducts advanced programs for enhancing professional capabilities of senior executives in the financial sector.

CAFRAL's research focus is on the areas of banking and finance. Within these broad areas, our interests include financial institutions, financial markets, behavioural finance, corporate finance, household finance and related areas of macro-finance such as monetary economics or international finance. CAFRAL aims to build intellectual capacity in these areas through its own staff, by hosting researchers of international repute and facilitating collaborative research by building data resources and analytical capabilities.

## Mission

To evolve as a global centre of excellence  
for policy research and advanced learning in  
banking and finance.

## Objectives

- l Enhance our understanding of how the financial sector contributes to real sector growth through in-house and collaborative research that is useful and relevant
- l Enhance professional capabilities in the banks, financial sector, and among central banks regulators and policy makers through learning events and programs
- l Provide a platform for dialogue between policy makers, regulators, financial sector, practitioners and academics on issues of topical relevance and systemic importance
- l Communicate and disseminate the conclusions and results of the learning and research activities of CAFRAL to policy makers, central banks, regulators and public at large
- l Collaborate and network with domestic and global institutions with similar mandate for mutually beneficial arrangements



# Abbreviations

AML	Anti-Money Laundering	SERI	Social and Environmental Research Institute
ATs	Advanced Technologies	SOC	Security Operations Center
BT	Blockchain Technology	TBML	Trade Based Money Laundering
CAFRAL	Centre for Advanced Financial Research And Learning	V-CIP	Video based Customer Identification Process
CBI	Central Bureau of Investigation	VC	Virtual Conference
CBDC	Central Bank Digital Currency	VLP	Virtual Learning Program
CDD	Customer Due Diligence	VP	Virtual Program
CCO	Chief Compliance Officer	UC	University of California
CGST	Central Goods and Services Tax	US	United State
CEEI	Catalyst Executive Education Institute	WDV	Written Down Value
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest of India		
CFT	Countering the Financing of Terrorism		
CHRO	Chief Human Resources Officer		
CISO	Chief Information Security Officer		
CRO	Chief Risk Officer		
CLO	Chief Learning Officer		
DCM	Department of Currency Management		
DL	Digital Lending		
e-KYC	Electronic Know Your Customer		
EDD	Enhanced Due Diligence		
ED	Enforcement Department		
ERP	Enterprise Resource Planning		
FI	Financial Institution		
FIU	Financial Intelligence Unit		
FPO	Farmer Producer Organization		
GAAP	Generally Accepted Accounting Principles in India		
GoI	Government of India		
GST	Goods Service Tax		
HR	Human Resource		
ICAI	Institute of Chartered Accountants of India		
IDs	Independent Directors		
IEG	Institute of Economic Growth		
IGIDR	Indira Gandhi Institute of Development Research		
IIM	Indian Institute of Management		
IIT	Indian Institutes of Technology		
IMF	International Monetary Fund		
ISB	Indian School of Business		
ISI	Indian Statistical Institute		
KRIs	Key Risk Indicators		
KPIs	Key Performance Indicators		
KYC	Know Your Customer		
MSME	Micro, Small & Medium Enterprises		
NBFC	Non-Banking Financial Company		
NDF	Non-Deliverable Forward		
NIBM	National Institute of Bank Management		
NISM	National Institute of Securities Markets		
NIPFP	National Institute of Public Finance and Policy		
OIS	Overnight Index Swap		
PMLA	Prevention of Money Laundering Act		
RAs	Research Associates		
RBI	Reserve Bank of India		
RCM	Reverse Charge Mechanism		
REs	Regulated Entities		
SAs	Standards on Auditing		
SDD	Simplified Due Diligence		
SEBI	Securities and Exchange Board of India		



**DIRECTOR'S  
REPORT  
2023-24**



# Director's Report



During the academic year, CAFRAL remained committed to its dual mandate of achieving excellence in research and learning in banking and finance.

In the last financial year, the Research Vertical at CAFRAL has made significant strides, with the publication of four papers in esteemed academic journals and six new working papers covering a broad spectrum of subjects such as finance, banking, macroeconomics, development economics, and international trade. Our researchers showcased their work at prestigious international conferences, including the American Economic Association and the Midwest Macroeconomics Conference, as well as at numerous national conferences hosted by leading institutions. A notable achievement was the launch of the inaugural India Finance Report, which focused on “NBFC: Connecting the Last Mile.” Additionally, we organized 21 external seminars featuring distinguished scholars from top academic and policy institutions worldwide. The year also witnessed two highly successful conferences: the flagship annual macroeconomics conference and a collaborative workshop addressing the challenges of the green transition in emerging economies. These accomplishments underscore our commitment to advancing knowledge and fostering impactful discussions in the fields of economics and finance.

CAFRAL's learning team conducted 27 learning programs for senior executives in the financial sector, focusing on contemporary issues and other emerging areas impacting the financial sector along with the regular flagship programs. All these programs included coverage of a significant regulatory and supervisory issues. At learning vertical, role specific conferences for Chief Risk Officers, Chief Compliance Officers, Ombudsman, Chief Economists, Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs) were conducted along with a Conference of CBDC. Also, leadership Program in association with Catalyst Executive Education Institute (CEEI), Mumbai was conducted for the first time. Further, during the year, CAFRAL Advanced Leadership Program was conducted in association with Georgetown University Washington, inclusive of an India Leg and Overseas Leg at George University Campus, Washington. A Program on Current Issues in Banking and Finance was conducted for the Officers of Indian Economic Service (GOI) and senior officials from Banks/NBFCs.

CAFRAL also organised a Conference on Resolution of Stressed Assets and Insolvency and bankruptcy Code (IBC) to evaluate the impact since its enactment in 2016 as also to seek ways to enhance its effectiveness in addressing evolving challenges in insolvency resolution. The Conference brought together stakeholders, including eminent jurists, policymakers, bankers, and resolution professionals and also highlighted the collective efforts required from all stakeholders to further strengthen India's insolvency and bankruptcy framework.

In the year ahead, CAFRAL will continue to conduct high quality research and learning programs with a view to achieving excellence in all its endeavours.

**B P Kanungo**  
Director, CAFRAL



# CAFRAL Research

## Academic Research

A list and abstracts of the paper with completed drafts for Fiscal Year 2023-2024 is attached in Annex I. Here, we provide a sample of research done at CAFRAL this year.

CAFRAL researchers published four papers in reputed academic journals like Journal of International Money and Finance, Review of Corporate Financial Studies and World Bank Economic Review. They released six new working papers, and are actively working on projects that are at an advanced stage in a variety of areas such as finance, macroeconomics, banking, development economics and international trade.

Dr. Nirvana Mitra published a paper titled “Political Constraints and Sovereign Default” in the Journal of International Money and Finance. The paper appeared in the October 2023 issue of the journal. Dr. Nirupama Kulkarni published a paper titled “Cash is King: The role of financial infrastructure” in the Review of Corporate Financial Studies. Dr. Vidhya Soundarajan’s paper titled “Import Competition, Formalization, and the Role of Contract Labor” got accepted in the World Bank Economic Review.

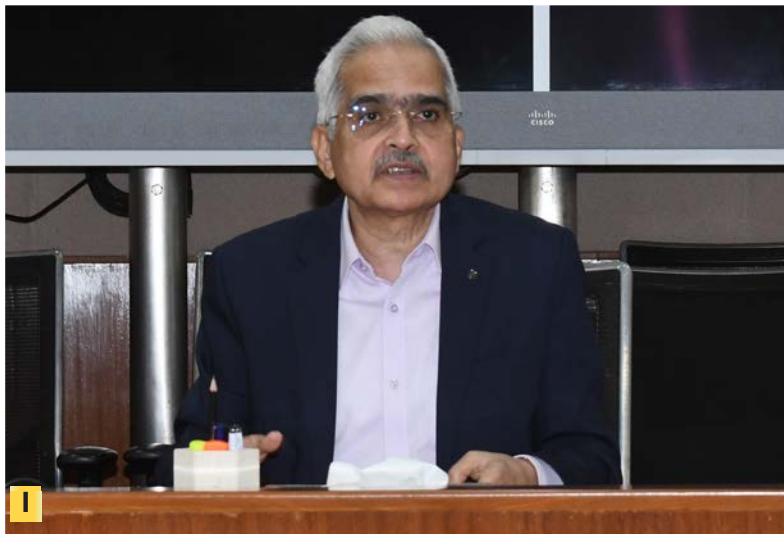
## RBI related work

CAFRAL Research released its first edition of the India Finance Report on November 8, 2023. Shri Shaktikanta Das, Governor, RBI, released the report. This year’s theme is on NBFCs and is titled “Connecting the last mile”. Non-Banking Financial Companies (NBFCs) emerged as agents for formalizing finance in India by facilitating financial inclusion through innovative financial products and novel delivery mechanisms. The report also delves into the changing contours of regulation and supervision of NBFCs in response to the recent shocks and advances in international regulatory architecture and standards/best practices.



Shri Shaktikanta Das, Governor, RBI, Dr. Michael Debabrata Patra, Deputy Governor RBI, Shri Swaminathan Janakiraman, Deputy Governor, RBI, Shri B. P. Kanungo, Director, CAFRAL, Smt. Indrani Banerjee, Additional Director, CAFRAL, Dr Nirupama Kulkarni, Senior Research Director, CAFRAL from CAFRAL team, Smt Rajani Prasad, CGM, CSBD, RBI, Shri Satyashiba Panigrahi, DGM & EA to Governor and Dr Vineet Kumar Srivastava, Director & EA to DG (MDP) during release of India Finance Report

The very first chapter provides an overview of key events shaping the NBFC sector. Non-Banking Financial Companies (NBFCs) in India have grown rapidly since the global financial crisis (GFC), though they faced disruptions from shocks and systemic spillovers in 2018-19. The sector has undergone consolidation, allowing market forces to operate, leading to weaker NBFCs either exiting or shrinking. Consequently, the sector was relatively more robust entering the COVID-19



pandemic, allowing NBFCs to weather the shocks better. Since then, the sector has emerged stronger, with improved liquidity, capital, asset quality, and profitability. Financial intermediation rapidly expands to parts of the population that credit markets might otherwise exclude. The following chapter explains how Non-Banking Financial Companies (NBFCs) play a key role in deepening financial inclusion by serving subprime and marginalized borrowers. A negative credit shock from NBFCs can disproportionately harm the consumption of lower-income households. Therefore, regulation is essential to balance innovation and growth while protecting borrowers who might otherwise face financial exclusion. Overall, the findings

highlighted in this chapter further strengthen the case for regulators and policymakers to adopt a balance between supporting growth and product innovation in the non-bank sector, on the one hand, and mitigating risks and contagion in the traditional banking system, on the other.



The digital revolution fundamentally changes various aspects of the economy, impacting businesses, households, and governments. The third chapter examines how rapid digitalization shapes the NBFC sector, particularly FinTech lending. Many low- to middle-income economies use digital payment platforms to reach underserved and vulnerable populations, integrating them into the banking network and the formal economy. Thus introduction of the Unified Payment Interface (UPI) provides FinTech with seamless digital infrastructure, accelerating its expansion and creating new opportunities for financial inclusion across the country. However, regulating digital lending must be tailored to facilitate growth as well as maintain stability. The fourth chapter delves into how the interlinkages between Non-Banking Financial Companies (NBFCs) and the traditional banking sector pose systemic risks. The NBFC sector, known for its higher risk-taking compared to formal banks, improves its liquidity starting in 2018 and steadily increases funding from banks. Supported by fiscal and monetary measures, these buffers help cushion the impact of the COVID-19 pandemic on NBFCs. The expansion of NBFCs not only promotes

1. Shri Shaktikanta Das, Governor, RBI; 2. Dr. Michael Debabrata Patra, Deputy Governor RBI; 3. Shri Swaminathan Janakiraman, Deputy Governor, RBI; 4. Shri B. P. Kanungo, Director, CAFRAL, Smt. Indrani Banerjee, Additional Director, CAFRAL and Dr Nirupama Kulkarni, Senior Research Director, CAFRAL with CAFRAL Research team,



financial inclusion but also integrates them with the broader financial sector, which may have systemic implications in the current decade. Increased integration with the banking sector in the post-pandemic period highlights the need for close monitoring to prevent systemic fallout. The effect on NBFC balance sheets is relevant in the context that the conduct of monetary policy in India has undergone significant changes in the last decade along with the fact that NBFCs have grown to take larger market shares in the credit market. Overall, the four chapters of the report cover topics such as financial inclusion, interaction with the traditional banking sector, digitization and the non-banking financial sector, and emerging stresses in the banking sector. The report was well received and widely covered by the media.



CAFRAL Research is currently preparing the second edition of the India Finance Report on the theme of “Household Finance”. The report will cover the aggregate trends in the behaviour of household finance, their asset, savings and debt choices, and on the impact of digitalization and climate change on households.

Dr. Nirvana Mitra is currently working on a policy project which studies the interaction between monetary policy and macroprudential policies in India.



Other Outreach Activities - Research Conferences and Programs



The research vertical of CAFRAL conducted two conferences in the Financial Year and one with the Learning Vertical.

CAFRAL Research Vertical organized a collaborative conference with Warwick Business School on July 24th and 25th, 2023, at the Taj Mahal Palace in Mumbai. The conference revolved around the theme **“Economic and Financial Barriers and Opportunities in the Green Transition in the Emerging Economies.”** Over two days, the event featured two keynote addresses, a round table discussion, and four academic presentations, all focusing on the challenges of the green transition. The conference began with introductory remarks by Shri B.P. Kanungo, Director of CAFRAL. The first keynote, by Dr. Ralph De Hass, Research Director at the European Bank for Reconstruction and Development, examined credit constraints in green technology investment and related firm challenges.



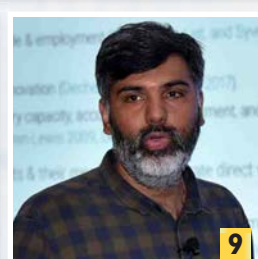
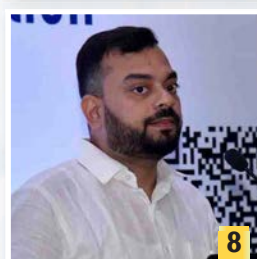
1. Group Photo 2. Panel Discussion (L:R) - Shri. Sitikantha Pattanaik, Executive Director at Reserve Bank of India, Dr. Giorgia Barboni, Warwick Business School, Dr. Aparna Krishnan, J-PAL South Asia and Dr. Shloka Nath, India Climate Collaborative; 3. Dr. Guojun He, HKU Business School; 4. Shri. Venkat Bhargav Sreedhara, World Bank; 5. Dr. Sankalp Mathur, Research Director, CAFRAL; 6. Dr. Pavel, Chakraborty, Lancaster University





Following this, a Round Table discussion centered on the “Role of Green Finance in addressing economic, social, and development priorities.” The panel included Dr. Sitikantha Pattanaik (Executive Director at RBI), Dr. Aparna Krishnan (Project Director, J-PAL South Asia), and Dr. Shloka Nath (CEO, India Climate Collaborative) moderated by Dr. Giorgia Barboni (Assistant Professor, Warwick Business School). Dr. Farzana Afridi, Professor at ISI Delhi and Research Fellow at IZA, delivered the second keynote, discussing policy implications of transitioning to clean energy in rural Indian households.

The second day showcased academic presentations and subsequent discussions on topics like citizen involvement in environmental governance, economic impacts of carbon tariffs, macroeconomic effects of green transition in small open economies, and environmental regulations’ impact on manufacturing firms. The second day featured an array of research presentations, accompanied by engaging academic and policy discussions. The first presentation delved into an indepth examination of the direct and indirect consequences of citizen participation in environmental



1. B P Kanungo, Director, CAFRAL; 2. Dr. Ralph De Haas, European Bank for Reconstruction and Development ; 3. Dr. Farzana Afridi, ISI Delhi and IZA; 4. Dr. Nirupama Kulkarni, Seniro Research Director; CAFRAL; 5. Dr. Giorgia Barboni, Warwick Business School; 6. Dr. Shailja Singh, Centre for WTO Studies; 7. Dr. Florencia Airaudó, Universidad Carlos III de Madrid; 8. Dr. Soumya Bhadury, Reserve Bank of India; 9. Dr. Lakshmi Naaraayanan | London Business School; 10. Dr. Aparna Krishnan, JPAL South Asia

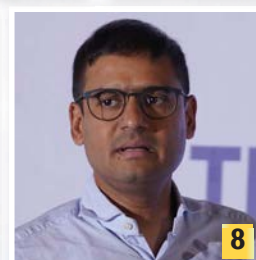
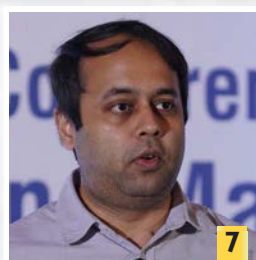
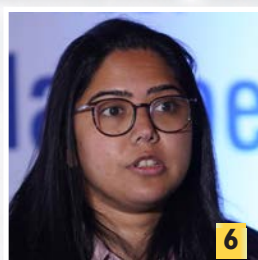


governance in China. The author presented their compelling findings stemming from a nationwide field experiment designed to assess the effects of assigning firms to either public or private citizen appeals treatment when they deviate from pollution standards. In the second presentation, the focus shifted to investigating the pivotal role of market power in quantifying the welfare implications of a carbon-based trade policy reform. Employing a structural trade model, this presentation explored the intricate dynamics of this policy shift and discussed the distributional impact of trade policy in reducing global emissions. The third presentation offered insights into the meticulous design of small open economies, providing a framework to study the dynamics of green transition. The paper



examined fiscal costs and evaluated welfare throughout the process of transitioning towards green economies, employing various metrics for a comprehensive analysis. Lastly, the fourth paper contributed by assessing the profound impact of environmental regulations on Indian manufacturing firms, shedding light on the multifaceted aspects of this critical issue.

CAFRAL Research also organized its flagship Annual Research Conference on **“Financial System and Macroeconomy in Emerging Economies”** on December 11-12, 2023, in Thiruvananthapuram, Kerala. The conference began with introductory remarks by Shri B.P Kanungo, Director of CAFRAL. Prof. Amil Dasgupta, London School of Economics, and Dr. Satyajit Chatterjee, Vice President, Federal Reserve Bank of Philadelphia,



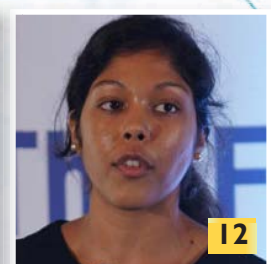
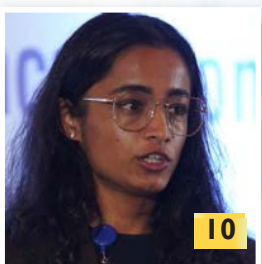
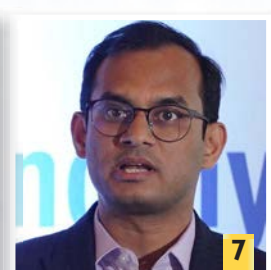
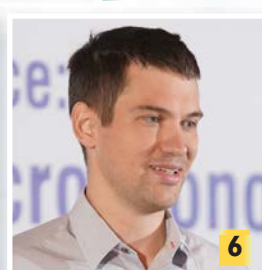
1. Group Photo; 2. B P Kanungo, Director, CAFRAL; 3. Indrani Banerjee, Additional Director, CAFRAL; 4. Prof. Amil Dasgupta, London School of Economics; 5. Dr. Gautham Udupa, Research Director, CAFRAL; 6. Vrinada Mittal, University of North Carolina; 7. Shashwat Alok, Indian School of Business; 8. Rik Sen, University of Georgia; 9. Prasenjit Chakrabarti, IIM Ranchi





delivered the keynote addresses. In response to the call for papers posted in CAFRAL and other popular professional websites, a total of 110 submissions were received by the deadline. Out of these, 8 papers were selected for presentation. In line with precedence, one CAFRAL researcher (Dr. Gautham Udupa) presented a paper.

1. Dr. Satyajit Chatterjee, Federal Reserve Bank of Philadelphia;
2. Dr. Nirupama Kulkarni, Senior Research Director, CAFRAL;
3. Sanjay Singh, San Francisco Fed and UC Davis;
4. Subhadeep Halder, ISI Delhi
5. G.V. Nadhanael (Reserve Bank of India;
6. Radek Paluszynski (University of Houston;
7. Kaushalendra Kishore, Research Director, CAFRAL;
8. Pratiti Chatterjee, University of New South Wales;
9. Chetan Subramanian, IIM Bangalore;
10. Vaishali Garga, Boston Fed;
11. Shekhar Tomar, Indian School of Business;
12. Shohini Kundu, UCLA







Drawing from his research on regulation of corporations, Prof. Dasgupta, in his talk titled “Capital Formation and Market Monitoring: Opportunities and Challenges for India”, emphasized the need to have disclosure requirements for sale and purchase of equity by small blockholders. Dr. Chatterjee presented his recent paper “Heterogeneity in the Credit Card Market”, which uses account-level credit card data to document variation across card holders in interest and default rates.

The conference was attended by distinguished researchers from reputed policy and academic institutions like RBI, ISB, San Francisco Fed, UCLA, Fed Boston, etc. The presentations covered a broad area of emerging issues in the macroeconomy including on fiscal dominance, shadow financing, monetary policy, Indian Banking, CSR, and



1. Shri Shaktikanta Das, Governor, Reserve Bank of India; 2. Shri Swaminathan J, Dy. Governor, RBI; 3. Group Photo 4. Justice Sanjay Kishan Kaul, Former Judge, Supreme Court of India; 5. B P Kanungo, Director, CAFRAL; 6. L-R: Anita Shah Akella, JS, MCA, Avinash Kulkarni, MD & CEO, IDRCL, Mr. Saurav Sinha, ED, RBI, C.S Setty, MD SBI and Sandip Garg, Whole Time Member, IBBI 7. L-R: Dr. M. S. Sahoo, Former Chairperson, IBBI, Bahram Vakil, Co-founder AZB, Pallav Mohapatra, MD & CEO, ARCIL and Ajay Shaw, Partner DSK Legal; 8. Diwakar Gupta, CAFRAL; 9. Dr. Gautham Udupa, CAFRAL; 10. Dr. Indradeep Ghosh, ED, Dvara Research and ILA; 11. Dr. Yogeshwar Bharat, CAFRAL; 12. Sumant Batra, Founder, Insolvency Law Academy



January 10-11, 2024 | Mumbai

## Keynote Address

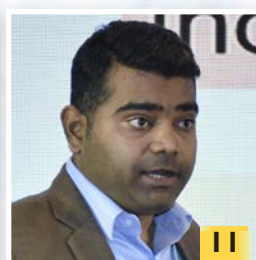
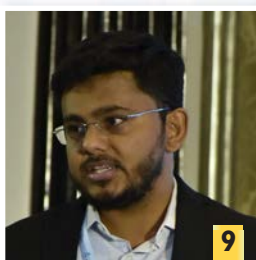


distributional effects of external shocks.

CAFRAL organized a conference on **“Resolution of Stressed Assets and Insolvency & Bankruptcy Code – the Future Road Map”** on January 10-11, 2024 at the Taj Mahal Palace in Mumbai. The conference showcased significant insights into the evolution and future direction of insolvency and bankruptcy proceedings in India. The keynote address was delivered by Shri Shaktikanta Das, Governor, Reserve Bank of India. The Governor in his address underscored



the IBC’s pivotal role in addressing the challenges of stressed assets and insolvency in India, highlighting its impact on enhancing the efficiency of capital allocation and promoting a culture of credit discipline. He elaborated on the







strategic measures implemented by the Reserve Bank of India to dovetail with the IBC framework, aiming at resolving large value stressed accounts and fostering a principled approach towards out-of-court resolutions. Reflecting on the IBC’s journey since its inception, the Governor pointed out the tangible benefits it has brought about, including the resolution of a significant number of corporate debtors, substantial recoveries for creditors, and a notable shift in borrower behavior towards more responsible credit practices. His insights emphasized the ongoing commitment to refining the insolvency and bankruptcy landscape in India, ensuring it remains a powerful tool for economic recovery



and stability.

The inaugural address by Shri Swaminathan Janakiraman, Deputy Governor of the Reserve Bank of India underscored the transformative impact of the Insolvency and Bankruptcy Code (IBC) since its enactment in May 2016, emphasizing its role in introducing a structured, time-sensitive, and institutionalized approach to financial distress resolution. He discussed the amendments and proposed changes aimed at enhancing the efficiency of the IBC process, including the mandatory admission of applications upon established default, increased reliance on records from Information Utilities, and streamlining the resolution process.

The event brought together a diverse group of stakeholders, including eminent jurists, policymakers, bankers, and resolution professionals. This conference, through its research presentations and panel discussions, not only provided a platform for rich discussions on the current state and future trajectory of the IBC but also highlighted the collective efforts required from all stakeholders to further strengthen India’s insolvency and bankruptcy framework.

1.L-R: Ashwini Tewari, MD, SBI, Abizer Diwanji, Head Financial Ser., EY, Rakesh Jha, ED, ICICI and Ashish Chhawchharia, Grant Thornton India; 2. N. S. Vishwanathan, former DG, RBI; 3. Dinesh Khara, Chairman SBI; 4. L-R: Dinesh Khara, Rakesh Sharma, MD & CEO, IDBI Bank, Sanjeev Gemawat, Global Counsel, Vedanta and Pooja Mahajan, Partner, Chandhiok & Mahajan; 5. L-R: Rohit Govil, Nikhil Shah, MD, Insolvency - Alvarez, Anuj Jain, Partner BSRR & Co., Rajkiran Rai, MD, NaBFID and Vinod Kothari, CA & Author & Marsal,



## Research Seminars

The full list of seminars hosted by CAFRAL Research is listed in Annex 1. CAFRAL hosted 21 seminars and webinars and invited leading researchers from academic institutions worldwide (Brown University, Bocconi University, University of Chicago, Harvard, John Hopkins University, University of Western Australia, University of North Carolina), presenters from reputed policy institutions like the World Bank and top domestic institutions like ISI Delhi, Delhi School of Economics, ISB, Ashoka University, IIT Kanpur and IIM Bangalore.

The seminars covered a variety of interesting topics such as on sovereign debt, credit market fluidity, fiscal-monetary coordination, interest rate policy, central bank balance sheets, implications of green bonds, shock propagation in supply chains, climate and economic growth, real estate, etc.

## Presentations to Industry and Academic Institutions

In line with the goal of increasing CAFRAL's visibility, CAFRAL researchers were successful in disseminating their research in leading domestic and international conferences, seminars, as well as in presenting and participating in events organized by industry bodies. The full list of presentations and external engagements are given in Annex 1.

CAFRAL researchers made a total of 20 presentations during the Financial Year. Dr. Gautham Udupa presented his papers at American Economic Association 2024 at Texas, Ashoka University, SERI Workshop, NIBM and IIM Bangalore. Dr. Kaushalendra Kishore presented his research at IGIDR. Dr. Nirvana Mitra presented his research at Midwest Macroeconomics Meeting in South Carolina, USA and in the Delhi School of Economics. Dr. Yogeshwar Bharat presented his research at IIT Delhi, ISI Delhi and IIM Bangalore. Dr. Sankalp Mathur presented his research at ISI Delhi and IIM Calcutta.

In addition to disseminating research at academic and policy conferences, CAFRAL Research initiated a bi-monthly seminar series known as "Showcasing CAFRAL Research". The inaugural seminar featured two presentations by Dr. Gautham Udupa and Dr. Yogeshwar Bharat. This series is designed to make research accessible to a wider audience beyond academia and policymakers. Through the "Showcasing CAFRAL Research" seminar series, CAFRAL Research intend to present their research to practitioners, non-academic and policy audiences. With this, they hope to showcase their research, obtain feedback, and create an impact in the industry and policy circles. These seminars occur every two months. Dr. Nirvana Mitra presented his research in the seminar in January 2024.

CAFRAL Researchers are also involved in various external engagements. Dr. Vidhya Soundararajan is in the organizing committee for the SERI Annual Workshop. Dr. Nirupama Kulkarni was invited as a discussant at the ISB CAF Conference, and as a jury member at SP Jain Institute and AGBA Awards. Dr. Sankalp Mathur was invited as a key discussant on the roundtable on "Post G20 Priorities for Indian Sustainable Finance Roadmap."

# CAFRAL Learning

**Conference of Treasury Heads: Emerging Trends and Challenges:** A one-day conference for Treasury Head was organised that provided a perspective on the rapidly changing functions of Treasury, the challenges in management of



financial market operations, risk functions, interest rate risk and Asset-Liability mismatches. The conference also provided a platform for discussion by experts including regulators and practitioners, on the future path for evolution of the G-Sec and Forex market, tools for risk management, market making initiatives and the financial market infrastructure in place, besides measures for prevention of market abuse. Topics covered in this conference were Financial Markets Operations - Emerging Trends; Derivatives Products and Tools for Hedging Risks; Emerging Trends in the NDF Market and in INR Off-shore Markets; Corporate Bonds – Issues and Challenges in Developing the Market and Valuation; Emerging Concerns in Financial Markets - Regulatory Perspective; Retailing of G-Sec & Forex Market – Opportunities & Concerns.

**Virtual Program on Governance for Directors on Boards of Banks, FIs and NBFCs:** This virtual program aimed to sensitize the directors on various issues of current importance and facilitated sound understanding of the legal and regulatory aspects of corporate governance. It offered a platform for peer level discussion and an opportunity to listen to & interact with the regulator. Topics deliberated upon in the virtual program were Governance Challenges in Use of Advanced Technologies; Corporate Governance & Ethical Practices; KYC & AML Measures - Regulatory Perspective; Cyber Security & Resilience—



The Board Perspective; Corporate Governance Framework in Banks, FIs and NBFCs - Role of Directors; Strategic Aspects of Governance & Assurance- Expectations from the Board.

**Virtual Conference (VC) of Ombudsmen: Expectations and Challenges:** VC provided insights into the regulatory perspective on the functioning of the Ombudsman Scheme and discussed the expectations & challenges faced by Ombudsmen. It also provided an interactive forum to the participants to ideate on improving customer service, deliberate upon the issues faced and need for better data analytics for quality disposal within the given regulations. The VC also gave participants the opportunity to interact with the regulator and discuss suggestions for further improvement in the Scheme. Topics covered in the VC were

1. Group Photo during Conference of Treasury Heads: Emerging Trends and Challenges; 2. S C Murmu, Executive Director, Reserve Bank of India; 3. G Mahalingam, Former Whole-time Director, SEBI; 4. Anil Sharma, Former Executive Director, Reserve Bank of India; 5. Jyoti Kumar Pandey, Senior Program Director, CAFRAL; 6. Group photo during Program on Climate Change, Green & Sustainable Finance



Issues in Qualitative & Sustainable Customer Service Standards - Expectations of the Regulator and Concerns; Framework for Strengthening Grievance Redressal Mechanism – Significant Steps and Trends; Root Cause Analysis of Maintainable Complaints; Grounds of Resolution/ Rejection of Complaints with Case Studies; Quasi - Judicial Role of Ombudsmen – Challenges; Significance of Financial Education of Customers – Strategy and Business Impact; Enhanced Mechanism for Grievance Redressal.

**Program on Climate Change, Green & Sustainable Finance:** Emerging Issues: In line with the theme, this program provided an overview and an enhanced understanding of the regulatory framework besides the emerging risks arising out of climate change. It also contributed substantively towards capacity building among senior executives in RBI, Banks, NBFCs and FIs, on the effective mitigation measures to be considered while financing new growth areas and addressed the various risks associated with climate change and building up of a green portfolio. Topics covered in this program were Climate Change, Green & Sustainable Finance: Regulatory Expectations; Regulatory Framework for Green & Sustainable Finance; Managing Climate & Sustainable Finance Risks for Banks, NBFCs & FIs; Measuring Climate Risks and Opportunities; Climate Related Risks and Mitigation: Lenders Perspective; Mainstreaming Climate Action within Financial Institutions.



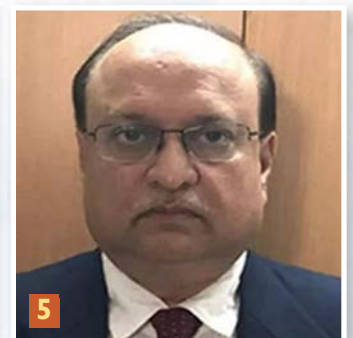
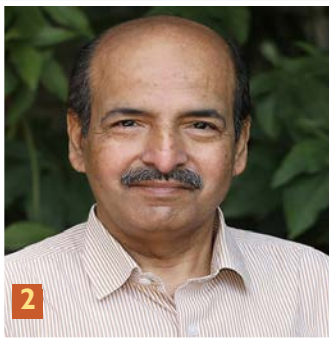
**Program on Financial Frauds & Forensic Audit:** The program discussed the importance of enhancing the fraud risk management systems of banks, financial institutions and NBFCs, including the need for an enhanced framework for Early Warning Signals, strengthening fraud governance & response systems and having a dedicated Market Intelligence Unit for frauds. The participants were also sensitized on the need to have in place a sound forensic audit that would help in identifying control failures, uncover trails and trace the funds besides gathering legally tenable evidence to achieve financial resolution and prosecution. Topics covered in this program were Issues in Fraud Risk Management – Regulatory Perspective, Digital and Cyber Frauds – Tools, Techniques, Prevention, Detection and Investigation; Forensic Audit – Processes, Techniques, Tools and Approaches; Financial Statement Analysis for Fraud Detection and Due Diligence Analysis; Evidence Collection, Maintenance of Record and Legal Resolutions; Developing

**Conference of Chief Compliance Officers: Expectations and Challenges:** The Conference provided a perspective on the rapidly increasing dimensions of the compliance function. It also provided a platform for peer level exchange to enhance understanding of compliance related issues and emerging challenges, apart from sensitizing participants on regulatory and supervisory expectations with the objective of building and sustaining a more robust compliance framework in regulated entities. Topics covered in this conference were Effective Compliance in Banks: Regulatory Expectations; Governance, Risk & Compliance Framework; Risk Based Supervision and Assessment of Compliance Risk; Ethics, Code & Conduct: Compliance Culture; Compliance, Accountability & Enforcement; Cyber Security: Governance, Risk & Compliance; Compliance With FEMA And RBI Regulations: Forex, Investment & Trade Transactions; Compliance against Financial Crime; Internal Audit & Compliance: A Banker's Perspective; Internal Audit & Compliance: A Banker's Perspective; Consumer Protection, Handling Customer Complaints and Grievances.





**Virtual Program (VP) on Stressed Assets Management and Insolvency and Bankruptcy Code: Way Forward:** The objective of this VP was to deliberate on the broad framework of stressed assets management and resolution with focus on IBC. Discussion of the way forward in making the insolvency process a more effective tool for resolution of stressed assets for all stakeholders enriched the understanding of participants. It also provided a platform for peer level discussion and interaction with the regulator. Topics covered in this VP were Credit Culture and Credit Costs - How IBC can Revolutionize Credit Risk Management; Management and Resolution of Stressed Assets: Regulatory Perspective; Implementation of IBC: Learnings for Bankers; Issues in Resolution during CIRP & Liquidation; Impact of IBC and Behavioural Changes in Credit Market.



**Program on Know Your Customer (KYC) and Anti Money Laundering (AML):** The program aimed to sensitize senior officers of REs on the KYC-AML framework and the challenges associated with its compliance. After a quick review of extant regulations, it provided updates on recent changes in the KYC & AML regulations including the requisite management oversight, systems & controls and related matters. Topics deliberated upon in the program were KYC & AML Risk Management – Regulatory Perspective and Expectations; Supervisory Observations on KYC & AML Compliance; KYC & AML Framework: Risks and Strategies; Transaction Monitoring: Key Issues; Trade Based Money Laundering; Advanced



1. Group Photo during Conference of Chief Compliance Officers: Expectations and Challenges; 2. N.S. Vishwanathan, Senior Fellow, Centre for Public Policy, IIM Bangalore & Former Deputy Governor, Reserve Bank of India; 3. Manoranjan Mishra, Chief General Manager, Reserve Bank of India; 4. Dr. M.S. Sahoo, Former Chairperson, IBBI; 5. Ravi Mital, Chairperson, IBBI; 6. Group Photo during Program on Know Your Customer (KYC) and Anti Money Laundering (AML)



Technologies & Regtech for Effective KYC & AML Compliance; Central KYC Registry & Compliance by REs: Issues and Challenges; Using Data Analytics in AML & Financial Crime Investigation; KYC & AML Implementation and Compliance: FIU Perspective; KYC & AML: International Experience.

**Conference of Chief Economists - Emerging Macroeconomic Challenges:** The objective of the conference was to provide Chief Economists and their team members opportunities to discuss the state of the Indian Economy and review global macroeconomic developments. Apart from discussing the challenges faced by the financial sector in facilitating a cleaner and a greener growth story; the economic and business opportunities of extending banking access & the requisite strategies, implications of platform economies, and risks posed by geopolitical developments were also discussed. A



wide range of topics were discussed in the conference which included the Macroeconomic Prospects and Challenges; Headwinds to Global Growth Prospects & Inflation - Resilience of the Indian Economy; Evolution of Platform Economies and its Implication in Financial Intermediation; Decoding Geopolitical and Macroeconomic Landscape: Outlook 2023-24; Elements of ESG Principles – Impact on Financial Stability; Inclusive Banking and its Impact on Socio - Economic Outcomes.

**Program on Cyber Security & Resilience: Emerging Trends and Challenges:** This one-day program aimed at contributing to capacity building at senior & top executive level, providing insights into the emerging trends in cyber-defence & cyber resilience from the perspective of governance and strategy. Recent trends in cyber risk were discussed to facilitate building of improved cyber defence mechanisms. Topics deliberated upon in the program were Cyber Security & Resilience: Emerging Trends and Regulatory Expectations; Responding and Managing Cyber Attack: Cyber Crisis Management Plan; Innovative Solutions to Counter Cyber Risk –Case studies; Cybercrime and Trends-New Tools for Combat: Developing a Robust Threat Intelligence; Cyber Risk Insurance - Implications and Way Forward.

**Conference on Central Bank Digital Currency:** This half-day conference provided a platform for discussion on the various issues in CBDC including impact on financial intermediation, cyber security & privacy and confidence building measures required amongst users for its higher adoption. CBDC being a potential ‘game changer’, the conference analyzed the issues involved including associated operational risks, for Banks, NBFCs and Financial Institutions who have a customer facing role in the CBDC ecosystem. Topics covered in this conference were Central Bank Digital Currency (CBDC) – Road Ahead: A Policy Perspective; Regulatory Framework for CBDC – Interoperability Challenges of Retail and CBDC; CBDC – International



1. Dr. Sitikantha Pattanaik, Executive Director, Reserve Bank of India; 2. Dr. Sajjid Z. Chinoy, Managing Director and Chief India Economist, J.P. Morgan; 3. Group photo during Conference on Central Bank Digital Currency



Experience, Evolving Trends and Road Ahead; CBDC – Operational Challenges, Risk and Mitigation.

**Program on Data Protection, Data Privacy and Data Localization:** The program aimed at sensitizing participants on the significance of data and analytics as amongst the most significant enablers of business requiring sound and robust data management, data protection and data processing. It also sought to emphasize the need for a strong internal control and governance mechanism besides a robust cyber security framework including the use of technological solutions for ensuring data protection and privacy. Topics deliberated in the program were Data Protection and Privacy: Relevance in an Increasingly Digitalised World- Policy Issues; Implementation of Data Protection Policy - Regulatory Framework; International Trends in Data Protection and Privacy Security; Data Localisation – Regulatory Outlook and Issues; Bank Data Security & Supervisory Requirements; Technological Challenges and Solutions.

**Program on Customer Education & Protection: Evolving Trends, Role and Responsibilities:** The program focussed on the need to ensure high standards of customer service, besides enabling participants to become well conversant with the institutional and technological framework required for enhanced customer service, customer protection and grievance



redressal. The program also provided opportunities to develop a better perspective on addressing the challenges arising from complexities of products & services and technological issues that may often result in deficiency of services to customers. Topics covered in this program were Regulatory Perspective and Institutional Framework for Customer Service and Consumer Protection, Issues in Customer Service in the Changing Paradigm of Financial Services, Financial Education – Strategy and Approach, Technology Tools for Enhanced Customer Service & Safeguards.

**Program on Credit Risk Management & Securitization:** This two-day program sought to provide an opportunity to the senior officials from Banks/FIs/NBFCs to enhance their understanding of the salient aspects of credit risk management and securitisation. It also provided a platform for peer level discussion and interaction with stakeholders. Topics deliberated in the program were Macro Environment and Its Impact on the Lenders Credit Portfolio; Regulatory Framework for Securitisation of Assets; Credit Risk & Expected Loss Based Approach for Loan Loss Provisioning; Trade Financing and Non- Fund Based Business of Banks - Understanding and Managing the Risks; Credit Rating Framework used by Rating Agencies: Reasons for Rating Changes; Infrastructure Financing – Issues and Challenges and Mitigation of Risks; Credit Risk Management - Risk Based Pricing & RAROC Portfolio Quality Index; Creative Accounting and Financial Fraud Red Flags; Retail Lending Risk & Management; Early Warning Signals and Monitoring of Credit Portfolio.

**CAFRAL Advanced Leadership Program (CALP):** CAFRAL organised the captioned program in the month of October 2023 and November 2023. The program was organized in two legs – first leg in India and the second in USA. The Indian leg was held in Mumbai over two days from October 27-28, 2023 and the overseas leg was organized in collaboration with McDonough School of Business (MSB), Georgetown University (GU), Washington DC, USA from October 30, 2023 - November 3, 2023. The program provided an opportunity to the participants to be amongst academicians and institutions

1. Ajay Kumar Choudhary, Executive Director, Reserve Bank of India; 2. Jayant Kumar Dash, Executive Director, Reserve Bank of India; 3. Ashwini Kumar Tewari, Managing Director, State Bank of India; 4. C. Sankaranaryanan, Senior Program Director, CAFRAL; 5. CALP Participants during overseas leg at McDonough School of Business (MSB), Georgetown University (GU), Washington DC, USA



that have been at the forefront of the global crisis that the financial markets have faced in recent years. The program provided a helicopter view of the happenings/developments in the USA and Globe and its impact on banks. This gave an opportunity to the participants to start thinking on how they need to prepare themselves for upcoming challenges/exploit the opportunities unfolding. The program also provided participants an exposure to a different environment and culture, exposure to diversity and an opportunity to interact with policy makers, academicians and other stakeholders. Besides cultural immersion and problem solving challenges in a foreign environment, it also provided opportunities to the participants to interact and develop better lines of communication between themselves and with others. The Indian Leg focussed on topics like Global and Domestic Macroeconomic Prospects and Challenges; Risk Management in Banks - Current Scenario & Challenges; Governance and



Business Strategy; Leadership, Team Building and Communications: Group Activity; Implications of Advanced Technologies for Financial Intermediation; Climate Change & ESG Imperatives; Cyber Security Challenges for Banks. The overseas leg of the program focused on topics viz Global Financial Markets; Capital Markets/Market Microstructure; Digitalization of Banking and Finance; Governance and Uncertainty Management; Financial Policy: Emerging Global Policy Issues in Banking and Capital Markets; Business Analytics for Decision Making in Banking; Bank Risk Management: How to evaluate credit risk; Robo - Advising; AI and the Future of Financial Services; New Data to Improve Monetary Policy; Advanced Leadership: CALP (Credit, Markets, and Financial Technologies); Cyber-Security.

**Virtual Program (VP) on Artificial Intelligence and Machine Learning:** The VP aimed at providing a conceptual understanding of AI / ML to senior and top executives of banks & financial institutions. It sought to disseminate knowledge of significant use cases in the financial sector, create awareness of supervisory initiatives & also provide an opportunity to understand risks in AI /ML and governance issues. Topics deliberated in the virtual program were Banking on AI/ML; Fundamentals of AI/ML for Management; AI/ML Governance and Oversight; Business Strategy with AI/ML – Significant Use Cases; Risks in AI/ML and Risk Management; Use of AI/ML in Transaction Processing; The Road Ahead.

**Program on Governance and Assurance for Directors for Banks, FIs and NBFCs:** The program sought to enhance the awareness of the BoD of banks, NBFCs and FIs on the regulatory expectations on their roles and responsibilities including their role in various sub-committees of the Board and on the emerging challenges in non-financial risks such as cyber risk & climate change risk. The program also aimed at providing the practical aspects of Board governance and functioning, and opportunities to interact with regulators and industry experts. Topics deliberated in the program were Enhancing Credibility of Organisation through Good Governance and Assurance – Strategic Role of Directors; Risk Based Supervision – Assessment



of Governance Standards and Assurance Functions; Managing Non-Financial Risks – Oversight Functions of the Board; Ethical Performance, Conflict Resolution and Value Oriented Strategic Decisions; KYC / AML Measures – Expectations from



Banks; Governance Challenges in Use of Advanced Technologies

**Virtual Program (VP) on Lending to Agro MSMEs:** In order to sensitise senior officials in the financial sector, in order to enable them to understand the various policies and regulations for the Agro MSMEs sector a VP was organised. . The program also covered technical aspects of Agro-MSME financing and emphasized the significant contribution that the sector can make to the profitability of financial intermediaries. Topics deliberated in the virtual program were Financing Agro MSMEs: Regulatory Perspective; Bankers & MSME Borrowers –Emerging Needs and Sensitivity; Co-lending Model for Agro-MSME Financing; Agro Enterprises in Supply Value Chain: Opportunities for Bank Lending; Digital Lending Scenario in India for MSME; Climate Friendly Financing of Agro-MSMEs.

**Virtual Program (VP) on Know Your Customer (KYC) and Anti Money Laundering (AML):** The VP provided to the Directors on the Board of the REs, an overview of the KYC framework including measures to address the various risks associated



1. Group photo during Program on Governance and Assurance for Directors for Banks, FIs and NBFCs; 2. Neeraj Nigam, Executive Director, Reserve Bank of India; 3. Santosh Kumar Panigrahy, CGM, DoR, RBI; 4. Umesh Kumar Singh, MD & CEO, CERSAI

with KYC non-compliance. This program also aimed to provide an enhanced understanding and updates on changes in the KYC and AML regulations including the requisite management oversight, systems and controls, segregation of duties, training and other related matters. Topics covered in this VP were Emerging Frontiers in KYC and AML Compliance; KYC and AML Measures – Regulatory Framework; Supervisory observations & expectations in KYC and AML implementation – Use cases; Central KYC Registry & Compliance – Issues and Challenges; Transaction Monitoring and Beyond; Trade Based Money Laundering.

**Virtual Conference (VC) of Heads of Audit & Inspection:** This one-day VC provided opportunities to the participants to interact with experts & regulators in the areas of audit and audit practices, besides being updated on the emerging trends and challenges in internal audit. Topics covered in this VC were Evolving Role and Significance of Internal Audit/



Inspection as an Assurance Function; Risk Based Internal Audit of Banks – Supervisory Issues and Concerns; Assessing Incident Response Capabilities, Cybersecurity Framework and IT Governance in Financial Institutions ; Audit Techniques, Significance of Audit Scoping and Fieldwork - Static vs. Dynamic Approach; Significance of Data Analytics and Future Trends in Internal Audit; Use of Advanced Technologies in Internal Audit.

**Conference of Chief Risk Officers and Heads of Risk Management: Managing Non-Financial Risks:** The Conference provided a forum to the heads of banks' risk function to meet and discuss the emerging issues and new challenges surrounding risk management against the backdrop of financial sector developments. Topics deliberated in the conference were Baking in Non-Financial Risks in Business of Finance; Building an Operative Model for Non-Financial Risk; Data and Cyber Security: Challenges; Impact of Climate Change Risk on the Balance Sheet of Financial Intermediaries; Managing Outsourcing Risks: Issues & Concerns; Evolving Role of CRO: New Paradigm.



**Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): To Build a Future Ready Workforce:** This conference aimed at bringing together potential leaders from the financial sector who would shape the future work force. The objective was also to obtain feedback and appreciate the learning gaps, enabling CAFRAL to plan to enhance the professional awareness and capabilities of senior executives and top management of banks who would be the future leaders in the financial sector. Topics covered in this conference were Evolving HR Practices in Financial Institutions; Creating a Future Ready Workforce; Leadership Challenges in the Evolving Ecosystem – Emerging Trends in HR; CAFRAL Learning



1. Group photo during Conference of Chief Risk Officers and Heads of Risk Management: Managing Non-Financial Risks;
2. Group photo during Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs)



Programs – Approaches and Strategies; Learning Gaps and Developing Capabilities - Role of CAFRAL.

**Virtual Program (VP) on Financial Frauds & Forensic Audit:** This VP aimed at providing a sound understanding of the audit and investigation processes relating to frauds with a view to strengthen the fraud governance and response systems of financial intermediaries and ensure effective implementation of fraud prevention measures. Topics deliberated in the virtual program were Overview of Financial Frauds, Financial Crimes and Investigation; Fraud Monitoring & Mitigation Systems, Detection and Reporting – Regulatory Perspective; Forensic Audit – Processes, Techniques, Tools and Approaches; Evidence Collection, Maintenance of Record and Legal Resolutions – Case Studies and Discussion; Transaction Monitoring – Use of Advanced Techniques like AI & ML; Digital & Cyber Frauds – Case Studies.



**CAFRAL – CEEI Financial Sector Leadership Program:** This program, designed for senior and middle management leaders of banking and financial services organizations in India, aimed to provide a leadership competency framework and enable the participants to create demonstrable and highly impactful leadership quotient. The program focused on high level functional skills of critical importance for financial sector leaders such as those relating to governance, strategy and risk. Topics covered in this program included Emerging Paradigm in Banking Leadership; Macroeconomic Scenario: Shaping Indian Economy through Banking; Introduction to CAFRAL CEEI Leadership Competency Framework; Online Assessment of Competencies and Personality Test; Future Outlook for Leaders in the Financial Sector; Banking Policy Landscape – Present and Future; Fireside Chat Leadership Culture – Style and Substance; Creating Strategic Value; From Strategy to Execution; Winning in the Age of Digital Tsunami; Business Value Creation with Digital; Identifying Digital Business Models for Growth; Collaborative Leadership: Becoming a Trusted Advisor; Collaborative Leadership: Being Bold; Creating a Change Ready Mindset; Influencing to Drive Change; Governance & Assurance – Issues and Challenges; Unbundling Leadership Competency Assessment and Sample Report; Create a Leadership Development Plan.



1. D.C Jain, Additional Director (Retd), Central Bureau of Investigation (CBI); 2. Arun Kumar Singh, Chief General Manager in Charge, Enforcement Department, Reserve Bank of India; 3. Tarun Kumar Singh, CGM, DoS, RBI; 4. Shailesh Thakur, Additional Director, Financial Intelligence Unit- India; 5. Group photo during CAFRAL - CEEI Financial Sector Leadership Program.



Virtual Program (VP) on Know Your Customer (KYC) and Anti Money Laundering (AML): The VP sought to provide Directors on



the Boards of Banks/FIs/NBFCs an overview of the KYC-AML framework and the associated risks to Regulated Entities on account of non-compliance. The program also aimed to provide an enhanced understanding and update on the changes in the KYC-AML regulations including the requisite management oversight required for an effective implementation of KYC-AML framework in the Regulated Entities. Topics deliberated in the virtual program were KYC and AML Measures - Regulatory Framework; Supervisory Observations on KYC & AML Compliance - Use Cases; KYC & AML Compliance - International Perspective; Central KYC Registry and Compliance; Transaction Monitoring - Key Issues; KYC & AML - Compliance, Accountability & Enforcement.

**Virtual Program (VP) on Compliance for Senior Officers of Banks, FIs & NBFCs:** This one-day VP sought to provide an opportunity to the participants to understand the regulatory perspective, expectations and concerns. The participants were apprised of the emerging compliance landscape and challenges including increasing complexities in operations of financial institutions and in adoption of technology. The topics covered were Effective Compliance in Banks: Regulatory Expectations; Governance, Risk & Compliance Framework - Emerging Trends; Compliance: International Best Practices; Risk Based Supervision - Assessment of Compliance Risk; Use of Technology in Compliance Functions; Compliance, Accountability and Enforcement.

**Program on Current Issues in Banking and Finance:** This uniquely designed CAFRAL Program on Current Issues in Banking and Finance provided capsuled learning for economists, regulators and bankers to understand various current issues and challenges faced by financial intermediaries in the present interconnected world in which technology is reshaping the landscape of finance at an unprecedented pace. The program provided an insightful discussion on the economy in general, its impact on the financial sector and the current challenges and opportunities. Topics deliberated in the virtual program



1. R. Lakshmi Kanth Rao, CGM, DoR, RBI, 2. Prof. P.D. Jose, IIM Bangalore; 3. Prof. Ramya Ranganathan, Visiting Faculty, CEEI; 4. Prof. Rajnish Dass, Academic Director, CEEI; 5. Group photo during Program on Current Issues in Banking and Finance



were Reflections on the Economy & Monetary Policy; Financial Stability - Risks and Resilience; Role of RBI in Public Debt Management; Climate Change Risk & Sustainable Finance; Financial Markets: Recent Developments; Evolving Paradigm of Risk Management; Financial Crime (KYC & AML): Use Cases; Cyber Risk & Resilience; Data Analytics, Artificial Intelligence & Machine Learning; Monetary & Fiscal Co-ordination; Institutional Framework for Customer Service and Consumer Protection; Issues in Customer Service in the Changing Paradigm of Financial Services; Strategic Approach for Influencing Outcomes; Inclusive Banking and Impact on Socio-Economic Outcomes; Evolving Fintech Landscape: Opportunities & Challenges; Regulatory Approach to Emerging Issues in Banking & Finance; Dimensions of Digital Transformation in Financial Services; Data Protection & Privacy; Corporate Governance Framework in Financial Sector; Decoding Geopolitical & Macroeconomic Landscape: Outlook 2024-25; Advanced Technologies in Financial Intermediation; Central Bank Digital Currency (CBDC)

As part of dissemination of knowledge contributed by the various speakers, their speeches, session discussions and papers are posted on CAFRAL's official website ([www.cafral.org.in](http://www.cafral.org.in)).

1. P. Vasudevan, Executive Director, Reserve Bank of India; 2. Dimple Bhandia, Chief General Manager, Financial Markets Regulation Department (FMRD), Reserve Bank of India; 3. Prabir Jha, Founder & CEO, Prabir Jha People Advisory; 4. Nitin Chugh, DMD & Head (Digital Banking & Transformation), State Bank of India





# Administration and HR

CAFRAL welcomed Dr. N.R. Bhanumurthy, Director, Madras School of Economics, Chennai. and Shri Eugene E. Karthak, Director, Indian Institute of Bank Management as its new Governing Council Members. Reserve Bank of India has re-nominated Dr. Pami Dua, Senior Professor of Economics and Director, Delhi School of Economics as Member of the Governing Council of CAFRAL with effect from January 29, 2024. During the year, many new persons joined CAFRAL, while a few left CAFRAL on completing their term or to pursue other opportunities. Smt. Indrani Banerjee, Additional Director (Learning & Administration) has demitted office w.e.f. April 19, 2024 after completion of her term at CAFRAL. As on July 31, 2024, CAFRAL has 39 staff on contract and an office boy who has been outsourced from an agency. CAFRAL welcomed six new Research Associates and there are fifteen Research Associates as on 31st July, 2024.

The names of CAFRAL staff are given in Annex 3.

## HR Initiatives

An Internal Committee on Prevention of Sexual Harassment of Women at Work Places has already been constituted and is functional. The meetings of the Committee are being held regularly. The last meeting of the Committee was held on July 03, 2024. These meetings have brought awareness and sensitized the staff about the legal provisions of the Sexual Harassment of Women at Workplaces (Prevention, Prohibition and Redressal) Act, 2013.



# Acknowledgements

We would like to acknowledge the valuable guidance given to us by Governor & Chairman, CAFRAL and the other Governing Council members including Shri M K Jain who demitted office as Deputy Governor, Reserve Bank of India on June 21, 2023. Shri Mohandas Pai and Dr. Pushpak Bhattacharyya, completed their term as GC member on September 17, 2023. CAFRAL has received immense benefit from each one of them and is now poised to further develop its research and learning due to the solid foundation given by them in CAFRAL. We are also thankful to the Management and officials of the Reserve Bank of India, various financial services institutions, consulting organisations, academicians and professionals from various fields for their support provided to our activities. Without their unstinted support and encouragement, we would not have been able to reach this stage of development in our journey to achieve our objectives.

We also acknowledge the contribution of M/s Kailash Chand Jain & Co, our internal auditors, M/s Prakash Chandra Jain & Co., our statutory auditors, and other service providers.

B P Kanungo  
Director, CAFRAL





# CAFRAL - FINANCIAL STATEMENTS

2023-24



# Independent Auditor's Report

**The Members of  
CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING  
[Registration No. F-33749(MUM)]**

## **1. Opinion**

We have audited the financial statements of Centre for Advanced Financial Research And Learning ("the trust") which comprises the Balance Sheet as at 31st March, 2024, the Income & Expenditure Account for the year ended and a summary of the significant accounting policies and other Explanatory Information ("financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read along with notes to accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting policies adopted by the Trust;

- (a) in the case of the Balance Sheet, of the state of affairs of the Trust as at 31st March, 2024;
- (b) in the case of the Income and Expenditure Account, of deficit (reimbursed by RBI) for the year ended 31st March, 2024..

## **2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

## **3. Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid policies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to



continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

#### **4. Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## 5. Other Matters

**5.1** As required by the Maharashtra Public Trust Act 1950 (the Act) and the Rules made there under and in our opinion and to the best of our information and according to the explanations given to us, we report as under:

- a) The Accounts are maintained regularly and in accordance with the provisions of the Act and Rules.
- b) The receipts and disbursements are properly and correctly shown in the accounts.
- c) There is a cash balance as on 31/03/2024 of Rs. 4,077/-.
- d) All books, deeds, accounts, vouchers or other documents or records as required were produced before us.
- e) Register of movable and immovable properties was updated till 31st March 2024.
- f) The Trustees / managers or other person required to appear before us did so and furnished the necessary information required by us.
- g) Based on the information and explanation provided to us, no property or funds of the Trust were applied for any object or purpose other than the object or purpose of the Trust.
- h) There are no sundry receivable outstanding for more than one year
- i) Based on the information and explanation provided to us, The Trust has not carried out any repairs or construction involving expenditure more than Rs. 5,000/-.
- j) The moneys of the Trust have not been invested contrary to the provisions of section 35 of the Act.
- k) Based on the information and explanation provided to us, we have not come across any alienation of the immovable properties contrary the provisions of Section 36 of the Act.
- l) We have not come across any special matter that requires to be brought to the specific notice.
- m) So far as it is ascertainable from the books of accounts and according to the information and explanation given to us there were no cases of irregular, illegal or improper expenditure or failure or omission to recover such money or other property thereof.
- n) Budget has been filed in the form as provided by Rule 16-A.
- o) Information to be submitted by the Auditor along with Audit Report under sub-section (1) of section 34 of the Maharashtra Public Trusts Act are attached herewith as Annexure to this report.



**5.2** With regard to rules and regulations of the Trust, in our opinion and to the best of our information and according to the explanations given to us, we further report as under:

- a) The number of Members as required by the Rules and Regulations of the Trust is maintained.
- b) Meetings of the Members of the Governing Council have not been held during the year as required by Para 12(a) of Rules and regulations of Trust.
- c) The minute books of the proceedings of the meetings are maintained.
- d) None of the Member of the Governing Council has any interest in the investments of the Trust.
- e) None of the Member of the Governing Council is a debtor or creditor of the Trust.
- f) No irregularities were pointed out by the auditors in the accounts of the previous year.
- g) There is no special matter which we may think fit or necessary to bring to the notice of the Deputy or Assistant Charity Commissioner

Place: Mumbai

Date: September 06, 2024

For Prakash Chandra Jain & Co.  
Chartered Accountants  
[FRN No: 002438C]

CA Pratibha Sharma  
Partner  
M. No. 400755  
UDIN:

## SCHEDULE - VIII [(Vide Rule 17 (1))]

The Maharashtra Public Trusts Act, 1950

Registration No. F - 33749 (Mum)

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING

Balance Sheet as at: 31<sup>st</sup> March, 2024

FUNDS & LIABILITIES	As at	As at
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	₹	₹
<b>Trusts Funds or Corpus:</b>		
Balance as per last Balance Sheet	50,00,000	50,00,000
<b>Other Earmarked Funds:</b>	NIL	NIL
(Created under the provisions of the Trust Deed or Scheme or out of the Income)		
<b>Loans (Secured/Unsecured):</b>	NIL	NIL
<b>Liabilities:</b>		
Advance From Reserve Bank of India	2,06,86,307	1,91,13,934
Liabilities (As per Schedule "A")	63,01,823	18,18,781
<b>Income And Expenditure Account:</b>		
Balance as per last Balance Sheet	NIL	NIL
Add : Surplus/(Deficit) as per Income and Expenditure A/c	NIL	NIL
<b>TOTAL</b>	<b>3,19,88,130</b>	<b>2,59,32,715</b>

Significant Accounting Policies &amp; Notes to Accounts form an integral part of Financial Statements- Schedule F

As per our report of even date

FOR PRAKASH CHANDRA JAIN &amp; CO.

Chartered Accountants

[FRN No: 002438C]

CA PRATIBHA SHARMA

Partner

M. No. 400755

Place: Mumbai

Date: September 06, 2024



	PROPERTY & ASSETS	As at	As at
		31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
		₹	₹
	<b>Immovable Properties: (At Cost)</b>	NIL	NIL
	<b>Investments:</b>	NIL	NIL
	<b>Movable Properties (Schedule B):</b>		
	Cost	2,54,18,419	2,31,20,876
	Less: Depreciation up to date	2,11,86,024	2,00,22,349
		42,32,395	30,98,527
	<b>Unsecured and Good</b>		
	Sundry Debtors	43,50,600	3,73,600
	<b>Advances:-</b> (As per Schedule "C")	88,99,258	66,08,637
	<b>Income Outstanding:</b>		
	- Interest Accured on Fixed Deposit	5,09,939	5,20,981
	<b>Cash And Bank Balances:</b>		
	(a) Cash on Hand	4,077	10,248
	(b) In Saving Account with Bank	89,91,861	1,03,20,722
	(b) In Fixed Deposit with Bank	50,00,000	50,00,000
	<b>TOTAL</b>	<b>3,19,88,130</b>	<b>2,59,32,715</b>

The above Balance Sheet to the best of our belief contains a true account of the Funds and Liabilities and of the Property and Assets of the Trust.

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING

TRUSTEE

TRUSTEE

TRUSTEE

Place: Mumbai

Date: September 06, 2024

## SCHEDULE - IX [(Vide Rule 17 (1))]

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING  
Income and Expenditure Account for the year ended 31<sup>st</sup> March, 2024

Expenditure	For the Year Ended 31 <sup>st</sup> March 2024	For the Year Ended 31 <sup>st</sup> March 2023	Income	For the Year Ended 31 <sup>st</sup> March 2024	For the Year Ended 31 <sup>st</sup> March 2023
	₹	₹		₹	₹
To Expenditure in respect of Properties	NIL	NIL	By Training Programme Fees Recovered	3,53,10,500	1,17,58,000
To Establishment Expenses (As per Schedule "D")	13,60,790	12,67,210	By Bank Interest	11,43,781	8,47,876
To Audit Fees	1,55,000	1,73,250	By Donations in Cash or Kind	NIL	NIL
To Amount written off	NIL	NIL	By Grants	NIL	NIL
(a) Bad Debts					
(b) Loan Scholarship			By Interest on Income Tax Refund	NIL	66,358
(c) Irrecoverable Rents					
(d) Other Items					
To Short Provision for Income Taxes of earlier year	NIL	NIL	By Misc Income	NIL	NIL
To Contribution and Fees	NIL	NIL	By Deficit for the year reimbursed by RBI	12,04,27,627	8,01,70,296
To Depreciation (As per Schedule "B")	21,00,646	15,23,309			
To Expenditure on the object of the trust			By Transfer from Reserve	NIL	NIL
- Educational (As per Schedule "E")	15,32,65,472	8,98,78,761			
<b>To Surplus carried over to Balance Sheet</b>					
<b>Total</b>	<b>15,68,81,908</b>	<b>9,28,42,530</b>	<b>Total</b>	<b>15,68,81,908</b>	<b>9,28,42,530</b>

Significant Accounting Policies &amp; Notes to Accounts form an integral part of Financial Statements- Schedule F

As per our report of even date

For PRAKASH CHANDRA JAIN & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 002438CCA PRATIBHA SHARMA  
Partner  
M. No. 400755Place: Mumbai  
Date: September 06, 2024

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING

TRUSTEE TRUSTEE TRUSTEE

Place: Mumbai  
Date: September 06, 2024



## Schedule A: Liabilities

Particulars	As on	As on
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
	₹	₹
Expenses Payable	31,35,150	14,82,367
Liability for Tax Deducted at Source	2,94,294	5,948
Liability for Gratuity Fund	26,52,554	-
Advance from Debtors	20,000	20,000
GST liability (RCM)	37,985	2,18,126
Retention Money	1,53,440	85,540
Profession Tax Payable	8,400	6,800
<b>Total</b>	<b>63,01,823</b>	<b>18,18,781</b>

## Schedule B: Movable Properties

Name of the Asset	Rate of Depreciation	COST			
		As on 1 <sup>st</sup> April 2023	Additions	Deletions	As on 31 <sup>st</sup> March 2024
		₹	₹	₹	₹
<b>Tangible</b>					
1. Computer Hardware Including Printers	33.33%	84,56,571	24,54,346	9,36,971	99,73,946
2. Other Electrical Equipment	20.00%	58,99,286	1,00,414		59,99,700
3. Furniture	20.00%	15,91,488	1,82,500		17,73,988
<b>Intangible</b>					
Computer Software	33.33%	71,73,531	4,97,254		76,70,785
<b>Total</b>		<b>2,31,20,876</b>	<b>32,34,514</b>	<b>9,36,971</b>	<b>2,54,18,419</b>
<b>Previous Year</b>		<b>3,30,22,674</b>	<b>20,57,310</b>	<b>1,19,59,108</b>	<b>2,31,20,876</b>

## Schedule C: Advances

Particulars	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
	₹	₹
GST Input Credit	26,20,468	26,09,781
Tax Deducted at Source	21,89,644	4,74,644
Advance to Creditors	-	13,566
Deposit	14,000	14,000
Other Receivables	-	24,944
Prepaid Expenses	21,12,805	19,99,946
Deposit paid to Service Tax Authorities for Appeal	19,62,341	14,71,756
<b>Total</b>	<b>88,99,258</b>	<b>66,08,637</b>



	DEPRECIATION				Written Down Value (WDV)	
	Upto 1 <sup>st</sup> April 2023	During the Year	Deletions	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2024	As on 31 <sup>st</sup> March 2023
	₹	₹	₹	₹	₹	₹
	66,80,133	14,37,982	9,36,971	71,81,144	27,92,802	17,76,438
	54,30,124	1,46,804		55,76,928	4,22,772	4,69,162
	14,41,601	52,309		14,93,910	2,80,078	1,49,887
	64,70,491	4,63,551		69,34,042	7,36,743	7,03,040
	<b>2,00,22,349</b>	<b>21,00,646</b>	<b>9,36,971</b>	<b>2,11,86,024</b>	<b>42,32,395</b>	<b>30,98,527</b>
	<b>3,04,37,147</b>	<b>15,23,309</b>	<b>1,19,38,107</b>	<b>2,00,22,349</b>	<b>30,98,527</b>	<b>25,85,527</b>

## Schedule D: Establishment Expenses

Particulars	For the Year Ended 31 <sup>st</sup> March 2024	For the Year Ended 31 <sup>st</sup> March 2023
	₹	₹
Administrative Expenses	9,26,800	7,90,867
Sitting Fees paid to Council Members	80,000	2,40,000
Facilities Management Expenses	3,53,990	2,36,343
<b>Total</b>	<b>13,60,790</b>	<b>12,67,210</b>

## Schedule E: Expenditure on Object of the Trust - Educational

Particulars	For the Year Ended 31 <sup>st</sup> March 2024		
	Learning	Research	Total
	₹	₹	₹
Administrative Expenses	20,85,716	23,13,837	43,99,553
Program/Seminar/Conference Expenses	1,62,93,803	42,48,429	2,05,42,232
Honorarium	11,96,250	11,05,000	23,01,250
Data Service	-	73,16,613	73,16,613
Conference Registration Fees	-	1,80,863	1,80,863
Audio Visual Charges	11,10,047	8,29,249	19,39,296
Printing and Stationery	3,92,236	1,93,384	5,85,620
Professional Fees	11,75,000	1,91,373	13,66,373
Salaries and Allowances*	2,95,41,332	6,98,43,492	9,93,84,824
Travel and Stay Expenses (Visiting Faculty/Guest Faculty/Mentor/Researchers/Participants)	13,37,285	83,85,731	97,23,016
Travelling and Halting Expenses (staff)	6,78,692	32,21,683	39,00,375
Website Maintenance Charges	8,10,376	8,10,376	16,20,752
Foreign Exchange Loss	4,705	-	4,705
<b>Total</b>	<b>5,46,25,442</b>	<b>9,86,40,030</b>	<b>15,32,65,472</b>

\* Salaries and Allowances includes remuneration to Director of Rs.84.97 Lakhs for FY 2023-24 (FY 2022-23 - Rs.81.98 Lakhs) who is also one of the trustees of the trust.





## Centre for Advanced Financial Research and Learning

### Schedule F

Notes to Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2024 and Income and Expenditure Account for the year ended 31st March, 2024.

#### A. OVERVIEW OF THE ORGANISATION:

Centre for Advanced Financial Research And Learning (CAFRAL) is a trust registered as a Public Charitable Trust under The Maharashtra Public Trusts Act, 1950. The trust was formed on 28th March 2007 and has following registrations:

- As a Society vide Registration no. 826, 2007 GBBSD.
- As a Trust vide Registration no. F-33749 (Mumbai).
- Registration under Section 12AA of Income Tax Act, 1961 vide Unique Registration no AABAC0190PE20128.

#### B. SIGNIFICANT ACCOUNTING POLICIES:

##### 1. Basis of preparation of financial statement:

The financial statements are prepared under the historical cost convention basis as a going concern and in accordance with the Generally Accepted Accounting Principles in India (GAAP) and provisions of The Maharashtra Public Trust Act, 1950.

The presentation of financial statements is in conformity with generally accepted accounting principles, required estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognized in the periods in which the results are known / materialized

##### 2. Recognition of Income / Expenditure:

Income and Expenditure are accounted on accrual basis. The amount equal to the deficit arising from the activities of the Trust is shown in the Income and Expenditure Account as deficit for the year reimbursed by RBI.

Training programme fees are recognized as income on completion of the programme.

All direct allocable expenses of Learning and Research are charged to the respective heads. The Administrative/ Common Expenses incurred by the Trust are classified between Learning, Research and Establishment Expenses based on estimations made by the management.

##### 3. Movable and Immovable Properties and Depreciation:

Movable and immovable properties are stated at cost less depreciation. All costs relating to acquisition and installation of movable and immovable properties are capitalized. Assets costing less than Rs 10,000/- are not capitalized.

Depreciation on assets is charged on the Straight Line Method over the useful life of the assets. Depreciation is charged on monthly pro rata basis from the month of capitalization in respect of additions during the year.



**4 Foreign Currency Transactions:**

A foreign currency transaction is recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency prevailing on the date of transaction. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Gain or loss if any, is recognised in the Income and Expenditure Account for the year. The gain or loss, arising on account of exchange rate differences between the payment date and transaction date is recognized in the Income and Expenditure Account.

**5 Related Party Transaction:**

Disclosure is made as per the requirement of the AS -18 – Related Party Disclosures and the same is given under Note No.C.2.

**6 Impairment of Assets:**

An Asset is considered as impaired when at the Balance Sheet date there are Indications of Impairment and the carrying amount of Asset exceeds its recoverable amount (i.e. the higher of the asset's Net Selling Price and Value In Use). The carrying amount is reduced to the recoverable amount and the reduction is recognised as an Impairment loss in the Income & Expenditure Account.

**7 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized for liabilities that can be measured only by using substantial degree of estimation. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent Liability is disclosed in case of possible obligation where the probability of outflow of resource is not certain. Contingent Asset is neither recognised nor disclosed in the balance sheet.

**C. NOTES FORMING PART OF THE ACCOUNTS:**

**1. Contingent Liability not provided for :**

The Additional Commissioner of CGST Mumbai has issued the order dated August 30, 2022 and raised the demand of Rs. 1,87,81,140/- for deficit reimbursed by the Reserve Bank of India from FY 2012-13 to FY 2017-18 (upto June 2017). Subsequently, the Department issued a corrigendum dated December 19, 2022 and increased the demand to Rs.1,96,23,416/-. CAFRAL had filed an appeal against order on November 02, 2022 and subsequently filed the revised appeal on January 16, 2023 for the increase in the demand. The appeal filed with Commissioner was rejected. CAFRAL filed an appeal before the Hon'ble Tribunal against the said appellate order on March 19, 2024. Based on the legal opinion, the management is hopeful that the demand would be cancelled in the appeal.

2. **Related Party Disclosure :**

Name of the related parties and description of relationship :

1. Key Management Personnel - Shri Shaktikanta Das, Chairman
2. Key Management Personnel - Shri Mahesh Kumar Jain, Member
3. Key Management Personnel - Dr. Michael Debabrata Patra, Member
4. Key Management Personnel - Shri Swaminathan Janakiraman, Member
5. Key Management Personnel - Shri. T. V. Mohandas Pai, Member
6. Key Management Personnel - Dr. Pami Dua, Member
7. Key Management Personnel - Dr. Pushpak Bhattacharyya, Member
8. Key Management Personnel - Prof. Partha Ray, Member
9. Key Management Personnel – Dr. Sajjid Z Chinoy, Member
10. Key Management Personnel – Dr. Ravindra H. Dholakia, Member
11. Key Management Personnel – Prof N. R. Bhanumurthy, Member
12. Key Management Personnel – Shri Eugene Emmanuel Karthak, Member
13. Key Management Personnel - Shri B. P. Kanungo, Director & Member

Details of Related Parties transactions are as under:

Particulars	Key Management Personnel	
	2023-24	2022-23
	₹	₹
Remuneration	84,96,531	81,98,335
Governing Council Fees	80,000	2,40,000
Travel related expenses of Members	23,893	2,07,455

3. Previous year figures have been regrouped/recast wherever necessary.

Signature to Notes A to F

For Centre for Advanced Financial Research And Learning

For Prakash Chandra Jain & Co.  
Chartered Accountants  
FRN No: 002438C

(CA Pratibha Sharma)  
Partner  
M No.: 400755

(Trustee)

(Trustee)

(Trustee)

Place: Mumbai  
Date: September 06, 2024

Place: Mumbai  
Date: September 06, 2024



## ANNEXES



# Annex 1

## Published Papers on CAFRAL Website during FY 2023-24 (April 1, 2023 - March 31, 2024)

1. **Political Constraints and Sovereign Default**  
**Author:** Nirvana Mitra and Marina Azzimonti  
**Date:** October 2023  
**Published:** The Journal of International Money and Finance  
**Abstract:**  
 We study how political constraints, characterized by the degree of flexibility to choose fiscal policy, affect the probability of sovereign default. To that end, we relax the assumption that policymakers always repay their debt in the dynamic model of fiscal policy developed by Battaglini and Coate (2008). In our setup, legislators bargain over taxes, general spending, debt repayment, and a local public good that can be targeted to the region they represent. Under tighter political constraints, more legislators have veto power, implying that local public goods need to be provided to a larger number of regions. The resources that are freed after a default have to be shared with a higher number of individuals, which reduces the benefits from defaulting in per-capita terms. This lowers the incentive to default compared to the case with lax political constraints. The model is calibrated to Argentina and the results conform to robust empirical evidence. An event study for the 2001/2002 sovereign debt crisis shows that political constraints had an important role in the buildup that led to the crisis.
  
2. **Understanding sovereign ratings and their implications for emerging economies**  
**Author:** Nirupama Kulkarni, Gautham Udupa, and Kaushalendra Kishore  
**Date:** June 2023  
**Published:** Economic and Policy Weekly  
**Abstract:**  
 The rating methodologies of the big three credit rating agencies—S&P, Moody's, and Fitch—are scrutinised and evaluated. The factors driving sovereign ratings are examined using a regression framework and machine learning techniques with a panel of 162 countries covering ratings from 2000 to 2018. Across all models, institutional quality is the most significant factor driving sovereign ratings, suggesting that building more vital institutions can lower a sovereign's borrowing costs by improving sovereign ratings. Additionally, only sustainable GDP growth propelled by strong structural reforms and productive investment increase CRA ratings. The findings suggest that the over-reliance of market participants on CRA ratings to assess sovereign creditworthiness may be unwarranted, particularly during crisis periods.
  
3. **Cash is King: The role of financial infrastructure**  
**Author:** Nirupama Kulkarni, Bhavya Aggarwal and S. K. Ritadhi  
**Date:** November 2023  
**Published:** The Review of Corporate Financial Studies  
**Abstract:**  
 This paper examines whether a one-time, extensive, but temporary shock to cash supply can affect the adoption of digital payments. We exploit the 2016 demonetization episode in India, which overnight discontinued 86% of cash in circulation. Using novel administrative data from retail debit card transactions, we identify a 12% increase in digital payments in areas adversely affected by the cash shortage, which persisted well after the restoration of cash supply. Examining mechanisms, we find a limited role for social networks and stronger support for learning by doing. Further, information frictions hinder the immediate adoption of digital payments. (JEL E5, 023)
  
4. **Import Competition, Formalization, and the Role of Contract Labor**  
**Author:** Vidhya Soundarajan, Rahul Singh and Pavel Chakraborty  
**Date:** November 24, 2023  
**Published:** World Bank Economic Review  
**Abstract:**  
 Does higher import competition increase formalization and aggregate productivity? Exploiting plausibly exogenous variation from Chinese imports, we provide empirical causal evidence that



higher imports increases the share of formal manufacturing enterprise employment in India. This formal share increase is due to both the rise in formal-enterprise employment driven by high-productivity firms, and a fall in informal-enterprise employment. The labor reallocation is enabled by the formal firms' hiring of contract workers, who do not carry stringent firing costs. Overall, Chinese import competition increased formal-sector employment share by 3.7 percentage points, and aggregate labor productivity by 2.87 percent, between the years 2000–2001 and 2005–2006.

## Working Papers on CAFRAL Website during FY 2023-24 (April 1, 2023 - March 31, 2024)

1. **Employee Protection Legislation and Informality: Theory and Evidence from India**  
**Author:** Vidhya Soundararajan, Ritam Chaurey and Gaurav Chiplunkar  
**Date:** July 12, 2023  
**Published:** CAFRAL Website  
**Abstract:**  
 We present causal evidence on how Employment Protection Legislation (EPL) that penalize firms for hiring contractual workers can have adverse effects in contexts characterized by high levels of informality. While they increase compliance and reduce informality on the “intensive margin” as formal sector firms reduce hiring contract workers “off-the-books”, they increase informality on the “extensive margin”, as firms move to operating in the informal sector instead. This lowers aggregate productivity, wages and welfare in equilibrium. Counterfactual simulations demonstrate the significance of carefully designing EPL in contexts where informality is prevalent.
  
2. **The Unholy Trinity: Regulatory Forbearance, Government-Owned Banks And Zombie Firms**  
**Author:** Nirupama Kulkarni, Anusha Chari and Lakshita Jain  
**Date:** August 27, 2023  
**Published:** CAFRAL Website  
**Abstract:**  
 Asset quality forbearance to alleviate loans under crisis-induced liquidity stress adversely impacts the allocative efficiency of credit. Bank-firm-matched data from India reveal that government-owned banks increased lending to firms facing solvency pressures relative to private banks. Zombie lending crowded out productive lending, especially in industries and bank portfolios with high proportions of failing firms, controlling for demand-side factors. Reduced loan loss provisioning requirements facilitated regulatory arbitrage by banks through asset-risk reclassification, hiding true asset quality. Forbearance manifested fiscal dominance allowing the sovereign to postpone costly recapitalization— an implicit subsidy that facilitated the buildup of stressed assets in the banking system.
  
3. **Anatomy of a Liquidity Shock on Non-Banks**  
**Author:** Nirupama Kulkarni and Sonalika Sinha  
**Date:** August 29, 2023  
**Published:** CAFRAL Website  
**Abstract:**  
 This paper investigates the anatomy of a liquidity shock in the non-banking sector in India in September 2018 using a unique supervisory database of non-banking financial companies (NBFCs) matched to their borrowers and lenders. Using a difference-in-differences methodology, we exploit ex-ante differences in NBFCs’ exposure to liquidity mismatches as identification. We find that stressed firms experienced a significant decline in commercial paper growth, majorly attributed to mutual funds as they faced redemption pressure from investors. Firm size and provisioning requirements were the main mechanisms driving the impact of the shock for the stressed firms who could not substitute with alternate funding sources such as debentures or bank credit in the short run. Consequently, these firms cut down credit to their largest borrowers, and sectoral allocation of credit also declined. The banking sector predicated its support to non-banks based on their loan performance. While banks stepped in to support ‘healthy’ NBFCs, they cut back credit to unhealthy ones. Such selective bank support, or ringfencing by banks during the shock episode proved effective in averting the contagion of the liquidity shock to the traditional banking sector while continuing to support healthier firms. Such an approach can strike a balance between financial stability and targeted assistance .
  
4. **Sovereign Default And Tax-Smoothing In The Shadow Of Corruption And Institutional Weakness**  
**Author:** Nirvana Mitra and Marina Azzimonti  
**Date:** November 30, 2023



**Published:** CAFRAL Website

**Abstract:**

Emerging countries exhibit volatile fiscal policies and frequent sovereign debt crises, that significantly diminish the well-being of their citizens. International advisors typically suggest developed-world solutions as a remedy. We argue that the root of the problem lies in the institutional environment, which does not incentivize responsible policymaking, particularly tax-smoothing practices. Focusing on democratic representation and control of corruption, our dynamic political-economy bargaining model shows that nations with weaker institutions experience frequent default episodes and greater economic volatility. Our results are in line with stylized facts from a panel of 58 countries between 1990 and 2022. Through counterfactual experiments, we find that while emerging economy policymakers might favor moderate reforms to improve democratic representation, achieving the institutional depth seen in developed countries is politically unfeasible, despite its clear advantages for citizens.

5. **Career incentives and employee productivity in state owned enterprises: Evidence from India**

**Author:** Kaushalendra Kishore, Tanisha Agarwal and Samarth Gupta

**Date:** December 27, 2023

**Published:** CAFRAL Website

**Abstract:**

State-owned enterprises (SOEs) are large and important organizations in many economies but suffer from low labour productivity IMF (2020). Can SOEs improve their labour by enhancing career concerns for their employees? We show that exogenous change in opportunities to influence career progression significantly improves the performance of employees of state-owned banks in India. In particular, we find that when banking employees get more exposure to senior management, who can influence their promotion decisions, they increase credit expansion on both intensive and extensive margins. Further, this expansion happens through increased productivity, and not costly factors such as liberal screening, lower interest rates or higher resource allocation. Our results show that reforms in performance review processes, which allow workers to signal effort to supervisors in state-owned firms, may yield substantial productivity gains.

## External Presentations by CAFRAL Researchers

1. Dr. Gautham Udupa presented his paper titled “Dollar Funding, Trade Invoicing, and Real Effects: Evidence from India” at The Economics Exchange at Ashoka University on April 15, 2023. The event was organized as part of the Workshop Series by the Economics Department at the university
2. Dr. Nirupama Kulkarni, Senior Research Director, CAFRAL was a discussant at the India Expert Network Meeting organized by BOFIT for the paper titled “Creditor rights and corporate leverage in India by Biswajit Banerjee (NBS) and Risto Herrala (BOFIT). Dr. Kulkarni presented her paper titled “Anatomy of a Liquidity Shock on Non-banks” at the BoFIT seminar held on May 30, 2023.
3. Dr. Nirvana Mitra presented his paper titled “A Unifying Theory of Fiscal Policy Cyclical and Sovereign Default” at the Midwest Macroeconomics Meetings hosted by Clemson University, South Carolina USA from May 19-21, 2023
4. Dr. Gautham Udupa presented the paper “Food, Fuel, and Facts: Distributional Effects of External Shocks” at SERI Ninth Annual Workshop, GIPE, Pune held on July 9, 2023.
5. Dr. Gautham Udupa presented the paper “Dollar Funding, Trade Invoicing, and Real Effects: Evidence from India” at a research seminar organized by the National Institute of Bank Management, Pune on July 21, 2023
6. Dr. Sankalp Mathur presented his paper “Protectionism in a Green Suit? Market Power and Carbon-based Trade Policy” at the CAFRAL and Warwick Joint Research Workshop on Green Transition in Emerging Economies on July 25, 2023
7. Dr. Yogeshwar Bharat presented his paper “Women in Labour Force: An India Story” at the Institute of Human Development on August 10, 2023.
8. Dr. Gautham Udupa presented the paper “Dollar Funding, Trade Invoicing and Real Effects: Evidence from India” at IIM Bangalore on September 20, 2023.
9. Dr. Yogeshwar Bharat presented his paper “Credit Constraints, Bank Incentive and Firm Export: Evidence from India” at IIM Bangalore on November 3, 2023
10. Dr. Gautham Udupa presented the paper “Food, Fuel, and Facts: Distributional Effects of External Shocks” at CAFRAL Annual Research Conference held on December 11-12, 2023 in Trivandrum, Kerala.
11. Dr. Kaushalendra Kishore presented the paper “Career incentives and employee productivity in state owned enterprises: Evidence from India” at Macro-finance Conference, IGIDR Mumbai on December 15, 2023
12. Dr. Sankalp Mathur presented his paper “Protectionism in a Green Suit? Market Power in Carbon Based Trade Policy Reform” at the 18th Annual Conference on Growth and Development organized by ISI Delhi on December 18, 2023
13. Dr. Yogeshwar Bharat presented his paper co-authored with Dr Nirupama Kulkarni “Asset side implications of banks’ funding cost” at the 18th Annual Conference on Growth and Development organized by ISI Delhi on December 20, 2023
14. Dr. Gautham Udupa presented his paper “Food, Fuel, and Facts: Distributional Effects of Global Price Shocks” at American Economic Association annual conference during January 5-7, 2024, San Antonio, Texas
15. Dr. Yogeshwar Bharat presented the paper “Food and Fuel Price Pass-through to Core Inflation – Evidence from Indian States” at 5th Annual Economics Conference at Ahmedabad University on January 5, 2024



16. Dr. Gautham Udupa presented the paper “Direct and Indirect Effects of Improved Creditor Rights on the Macroeconomy” at the CAFRAL Conference on Resolution of Stressed Assets and IBC – the Future Road Map during January 10-11, 2024.
17. Dr. Yogeshwar Bharat presented his paper “Impact of IBC on the Twin Balance Sheet (TBS) challenge faced by Indian Economy” at the CAFRAL Conference on Resolution of Stressed Assets and IBC – the Future Road Map during January 10-11, 2024.
18. Dr. Yogeshwar Bharat presented his paper “Asset side implications of banks’ funding cost” at the Asia Meeting of the Econometric Society, IIT Delhi on January 13, 2024.
19. Dr. Sankalp Mathur presented his paper “Protectionism in a Green Suit? Market Power in Carbon Based Trade Policy Reform” at the International Conference on the Political Economy of Climate Change and Development co-organized by Royal Holloway University of London and IIM Calcutta in Kolkata, India on January 29 2024
20. Dr. Nirvana Mitra presented a paper titled “Sovereign Debt and Tax Smoothing in the Shadow of Corruption and Institutional Weakness” at the Delhi School of Economics on February 8, 2024

### **Seminars/Webinars**

1.  $u^* = \sqrt{uv}$  by Dr. Pascal Michailat, Associate Professor at Brown University on April 19, 2023
2. Fiscal Dominance and Optimal Maturity Structure of Sovereign Debt by Mr. Subhadeep Halder, ISI Delhi on April 26, 2023
3. R&D Tax Credits and Price Competition: Evidence from India by Dr. Rahul Singh, Assistant Professor at Ahmedabad University on May 2, 2023
4. Credit Market Fluidity by Dr. Clement Jonathan Mazet-sonilhac, Assistant Professor at Bocconi University, Italy on May 10, 2023
5. Fiscal-Monetary Coordination and Interest Rates: Evidence from Speeches by Central Banks and Finance Ministries by Dr. Srinivasan Murali, Assistant Professor at the Indian Institute of Management, Bangalore on June 7, 2023
6. “InDIAs”: Innovative Retirement Security Bonds for India by Dr. Arun Muralidhar from M-Cube Investment Technology, Texas on June 21, 2023
7. Towards a well-targeted interest rate policy by Prof. Gurbachan Singh, Professor at Ashoka University, on July 12, 2023
8. Liquidity Dependence and the Waxing and Waning of Central Bank Balance Sheets by Rahul Singh Chauhan from the University of Chicago on July 19, 2023
9. Past and Future of Indian Finance by Dr. Ruchir Agarwal, Research Fellow Harvard Kennedy School on July 26, 2023
10. Self-Serving Fiduciaries? Board Discretion in Publicly Resisting Takeover Bids by Prof. Pradeep K. Yadav, Professor at the University of Oklahoma on August 2, 2023
11. Exiting Anomalies by Prof. Nagpurnanand Prabhala, Professor at Johns Hopkins University on August 8,

2023

12. Rethinking the Value and Emission Implications of Green Bonds by Dr. Jitendra Aswani from Harvard University, on September 14, 2023
13. The Dynamics of Leverage and the Belief Distribution of Wealth by Dr. Bikramaditya Datta from IIT Kanpur on September 20, 2023
14. The Effect of Supply Base Diversification on the Propagation of Shocks by Dr. Girish Bahal from University of Western Australia Business School on October 5, 2023
15. Culture, Corruption and Growth: A Dynamic Analysis by Dr. Mausumi Das, Delhi School of Economics, on November 1, 2023
16. Droughts and Deficits: The Global Impact of Droughts on Economic Growth by Dr. Esha D Zaveri, World Bank on November 3, 2023
17. Work From Home and the Office Real Estate Apocalypse by Dr. Vrinda Mittal, University of North Carolina on November 9, 2023
18. Economic Policy Uncertainty and Global Portfolio Allocation by Dr. Apoorva Javadekar, Indian School of Business, Hyderabad on December 27, 2023
19. Financial heterogeneity, NBFCs, and investment responses to monetary shocks in India by Dr. Ankit Kumar, Indian Institute of Management, Kolkata, on January 4, 2024
20. Sovereign Spreads and the Political Leaning of Nations by Prof. Alok Johri, McMaster University on February 1, 2024
21. Pricing Farm Electricity, Water Use And Efficiency: The Case Of Paddy Cultivation In Punjab by Dr. Disha Gupta, IGIDR on March 14 2024





# Annex 2

## Learning programs during FY 2023-24 (April 1, 2023 - March 31, 2024)

### 1. Conference of Treasury Heads: Emerging Trends and Challenges

**Date** April 20, 2023

**Coverage** Financial Markets Operations - Emerging Trends; Derivatives Products and Tools for Hedging Risks; Emerging Trends in the NDF Market and in INR Off-shore Markets; Corporate Bonds – Issues and Challenges in Developing the Market and Valuation; Emerging Concerns in Financial Markets - Regulatory Perspective; Retailing of G-Sec & Forex Market – Opportunities & Concerns..

#### Takaways

The conference provided valuable insights into market dynamics, risk management, new financial products and challenges in the corporate bond market. It also focused on the difficulties encountered by market participants in managing interest rate risk, liquidity and credit risk. The conference highlighted on the need for having sound internal supervisory processes & governance, importance of robust Financial Market Infrastructure and effective hedging tools. The conference explored the various risks faced by banks and their customers in the current market environment and need for integration with the global market, concerns emerging out of crypto assets, besides the challenges arising due to cybersecurity threats, global uncertainty and volatility.

### 2. Virtual Program on Governance for Directors on Boards of Banks, FIs & NBFCs

**Date** April 27, 2023

**Coverage** Governance Challenges in Use of Advanced Technologies; Corporate Governance & Ethical Practices; KYC & AML Measures - Regulatory Perspective; Cyber Security & Resilience—The Board Perspective; Corporate Governance Framework in Banks, FIs and NBFCs - Role of Directors; Strategic Aspects of Governance & Assurance- Expectations from the Board.

#### Takaways

The Virtual Program (VP) was designed to discuss and deliberate on the role and responsibilities of the Directors. The program enhanced the understanding of the role of Directors/ Independent Directors and how to remain effective and maintain a proactive, honest, informed and ethical approach on the Board. The program also gave an insight into the use of advanced technologies and the governance implications. The program delved into the need for directors to be abreast about the latest challenges, threats from the outside world. The VP concluded with a special address delivered by the Executive Director, Shri. S C Murmu who spoke in detail about the strategic aspect of governance and especially the supervisory expectations from the board.

### 3. Virtual Conference of Ombudsmen: Expectations and Challenges

**Date** May 12, 2023

**Coverage** Issues in Qualitative & Sustainable Customer Service Standards - Expectations of the Regulator and Concerns; Framework for Strengthening Grievance Redressal Mechanism – Significant Steps and Trends; Root Cause Analysis of Maintainable Complaints; Grounds of Resolution/ Rejection of Complaints with Case Studies; Quasi - Judicial Role of Ombudsmen – Challenges; Significance of Financial Education of Customers – Strategy and Business Impact; Enhanced Mechanism for Grievance Redressal.

#### Takaways

The VC provided valuable insights into the regulator's perspective on the Ombudsman Scheme's functioning. It shed light on the challenges and issues faced by the Internal Ombudsman (IO) and provided suggestions for enhancing the effectiveness of the scheme. The conference addressed the various aspects of the Ombudsman Scheme including resolution of customer complaints, dispute resolution mechanisms, transparency and accountability of IOs while also stressing on the importance of customer protection. The participants made a few suggestions including developing a technology-driven complaint resolution system for the banking system, mechanism for coordinating



and quicker sharing of information between banks, and implementing robust monitoring and evaluation mechanisms. Overall, the conference facilitated knowledge sharing, collaboration, and the identification of strategies to improve the Ombudsman Scheme and ensure better protection of customer interests.

#### 4. Program on Climate Change, Green and Sustainable Finance: Emerging Issues

**Date** May 22, 2023

**Coverage** Climate Change, Green & Sustainable Finance: Regulatory Expectations; Regulatory Framework for Green & Sustainable Finance; Managing Climate & Sustainable Finance Risks for Banks, NBFCs & FIs; Measuring Climate Risks and Opportunities; Climate Related Risks and Mitigation: Lenders Perspective; Mainstreaming Climate Action within Financial Institutions.

##### Takeaways

The program provided insightful information on various aspects of climate risk and its implications for the financial sector and the effect of climate change on banks' credit and risk functions. The program emphasized on the importance of managing risks and developing climate scenarios analysis to effectively address the evolving concept of ESG and climate risk in the Indian financial sector. The regulatory landscape, particularly the role of the RBI, was highlighted as crucial in driving climate change initiatives. Understanding the risks associated with climate change and finding ways to mitigate them were key takeaways from the program. The program provided a clear understanding of the significance of climate-related financial risk and its future importance. It also discussed the concepts of climate change, green financing, and sustainable financing, highlighting the need for a governance framework and risk management perspective that considers both physical and transitional risks. The program also highlighted the need for clarity on ESG concepts, relevant guidelines, and directions from the Government of India to develop appropriate credit policies. Overall, the program underscored the urgency for banks to address climate risk and align their strategies with national targets and regulatory guidelines.

#### 5. Program on Financial Frauds & Forensic Audit

**Date** June 06, 2023

**Coverage** Fraud Risk Management – Regulatory Perspective; Digital and Cyber Frauds – Tools, Techniques, Prevention, Detection and Investigation; Forensic Audit – Processes, Techniques, Tools and Approaches; Financial Statement Analysis for Fraud Detection and Due Diligence Analysis; Evidence Collection, Maintenance of Record and Legal Resolutions; Developing Actionable Risk Intelligence – Use of Artificial Intelligence in Fraud Prevention and Audit.

##### Takeaways

The program on forensic audit and financial frauds highlighted key regulatory issues and concerns in financial frauds, issues in monitoring & reporting, steps needed to be taken by regulated institutions on fraud mitigation and significance of forensic audit. The bankers were sensitized to stay updated with the latest recommendations made by the regulator and the trend of fraud incidences being reported. The program besides providing valuable insights into various modus operandi used in committing financial frauds also stressed on the need for the bankers to strengthen their credit appraisal processes and addressing areas of potential risks. The program provided significant insights into the financial analysis techniques and unravel crucial information from the balance sheet. The program discussed the use of tools and technology to enhance the effectiveness of audit analysis. It also highlighted the use of AI in forensics, signifying its usefulness in fraud detection. The program emphasized the importance of preventing frauds and conducting thorough data analysis related to recent fraud cases. The program covered various aspects of frauds investigation and the process of maintaining record for necessary evidence and was appreciated by the participants.

#### 6. Conference of Chief Compliance Officers: Expectations and Challenges

**Date** June 22 - 23, 2023

**Coverage** Effective Compliance in Banks: Regulatory Expectations; Governance, Risk & Compliance

Framework; Risk Based Supervision and Assessment of Compliance Risk; Ethics, Code & Conduct: Compliance Culture; Compliance, Accountability & Enforcement; Cyber Security: Governance, Risk & Compliance; Compliance With FEMA And RBI Regulations: Forex, Investment & Trade Transactions; Compliance against Financial Crime; Internal Audit & Compliance: A Banker's Perspective; Internal Audit & Compliance: A Banker's Perspective; Consumer Protection, Handling Customer Complaints and Grievances.

### Takeaways

The conference stressed on the significance of compliance heads interacting with and understanding the expectations of the regulator. The importance of improving compliance culture and collaboration among assurance functions was underlined. The program highlighted new compliance issues as well as the duties and responsibilities of Chief Compliance Officers' (CCOs'). The conference emphasized the importance of developing a robust compliance culture and integrating the assurance function for holistic risk assessment and mitigation. The conference also shed light on new technological inventions and tools for compliance, importance of apt coordination among control departments and addressing cyber security issues. The conference provided clarity on expectations and the role & responsibilities of CCO, the importance of the utilizing technology, and the benefits of incorporating AI and ML in alert management systems. The participants gained a deeper understanding of compliance culture and the expectations associated with the role. The broader role of the compliance function and its synergies with other assurance functions, including cyber security and the Chief Information Security Officer (CISO), were also highlighted. Overall, the program provided valuable insights into the latest developments, regulatory expectations, and best practices in compliance across other banks.

### 7. [Virtual Program on Stressed Assets Management and Insolvency and Bankruptcy Code: Way Forward](#)

**Date** July 11, 2023

**Coverage** Credit Culture and Credit Costs - How IBC can Revolutionize Credit Risk Management; Management and Resolution of Stressed Assets: Regulatory Perspective; Implementation of IBC: Learnings for Bankers; Issues in Resolution during CIRP & Liquidation; Impact of IBC and Behavioural Changes in Credit Market.

### Takeaways

The participants found the program extremely insightful and well structured. One of the major takeaways was the importance of timely recognition of default and the need for a speedier resolution process. The program discussed how the early initiation of IBC filing can maximize value, and it is essential for legal counsels to be well-trained in handling IBC processes for early admission of cases. The program also provided useful inputs on recent updates to the IBC, particularly in areas like securitization and other emerging aspects in bankruptcy codes.

### 8. [Program on Know Your Customer \(KYC\) and Anti Money Laundering \(AML\)](#)

**Date** July 17-18, 2023

**Coverage** KYC & AML Risk Management – Regulatory Perspective and Expectations; Supervisory Observations on KYC & AML Compliance; KYC & AML Framework: Risks and Strategies; Transaction Monitoring: Key Issues; Trade Based Money Laundering; Advanced Technologies & Regtech for Effective KYC & AML Compliance; Central KYC Registry & Compliance by REs: Issues and Challenges; Using Data Analytics in AML & Financial Crime Investigation; KYC & AML Implementation and Compliance: FIU Perspective; KYC & AML: International Experience.

### Takeaways

The program comprehensively covered the full cycle of KYC-AML activities and highlighted the importance of being fully compliant with the extant regulatory instructions. The program deliberated on the risk-based approach to KYC and how it becomes an effective tool for an institution to face the FATF mutual evaluation which is due this year. The regulator's expectations of the KYC-AML framework



were discussed along with the changing dynamics of the KYC-AML Framework. The trade-based money laundering session was informative and provided an in-depth analysis of the vital parameters required in fraud detection. The increasing role of technology and effective use of AI/ML in combating KYC-AML/TF was discussed. Also measures to prevent the abuse of KYC-AML related frauds which have become rampant through mule accounts were discussed.

## **9. Conference of Chief Economists - Emerging Macroeconomic Challenges**

**Date** July 27, 2023

**Coverage** Macroeconomic Prospects and Challenges; Headwinds to Global Growth Prospects & Inflation - Resilience of the Indian Economy; Evolution of Platform Economies and its Implication in Financial Intermediation; Decoding Geopolitical and Macroeconomic Landscape: Outlook 2023-24; Elements of ESG Principles – Impact on Financial Stability; Inclusive Banking and its Impact on Socio - Economic Outcomes.

### **Takeaways**

The conference provided an overview of the challenges and opportunities for India as it endeavors to achieve higher and sustainable growth in the medium to long term and make the transition towards becoming a developed economy. The conference deliberated on the need for strategic planning and effective policies to leverage the demographic dividend for economic growth. It also explored the emergence of platform economies and their nuances; significance of sustainability and environmental, social, and governance (ESG) factors in long term economic growth. The conference provided an excellent platform for exchange of ideas and perspectives on the economic growth trajectory of India, besides addressing the challenges being faced in achieving the status of a fully developed economy.

## **10. Program on Cyber Security and Resilience: Emerging Trends and Challenges**

**Date** August 22, 2023

**Coverage** Cyber Security & Resilience: Emerging Trends and Regulatory Expectations; Responding and Managing Cyber Attack: Cyber Crisis Management Plan; Innovative Solutions to Counter Cyber Risk –Case studies; Cybercrime and Trends-New Tools for Combat: Developing a Robust Threat Intelligence; Cyber Risk Insurance - Implications and Way Forward.

### **Takeaways**

The program outlined the emerging risks in cyber security and also emphasized the important points for the Board to probe for ensuring sufficient safeguards for cyber risk and meeting the regulators' expectations. It highlighted the risks in outsourcing of services, emerging risks & governance components along with the need for having a robust crisis management plan. The program also dwelt on the innovative solutions to counter cyber risk. Participants were made aware about the latest cyber-attacks and their modus operandi along with the various current cyber security measure and the future of cyber security. Key trends in cybercrime were explored, in addition to strategies for containment, recovery, and resilience in the face of inevitable incidents. Understanding risk, recognizing current threats, and proactive preparation were deemed essential in this ever-evolving landscape. Cybersecurity was accepted as an ongoing process, demanding visionary and solution-oriented leadership from CISOs to manage potential losses effectively. The implications and nuances of cyber risk insurance in the present and the emerging scenario and options were discussed.

## **11. Conference on Central Bank Digital Currency**

**Date** August 25, 2023

**Coverage** Central Bank Digital Currency (CBDC) – Road Ahead: A Policy Perspective; Regulatory Framework for CBDC – Interoperability Challenges of Retail and wCBDC; CBDC – International Experience, Evolving Trends and Road Ahead; CBDC – Operational Challenges, Risk and Mitigation.

### **Takeaways**

The conference provided a detailed insight into the significant and transformative impact which Central Bank Digital Currencies (CBDCs) will have on the financial system. The role of CBDC in the payment system and cross border transactions was discussed. During the conference, discussions highlighting how CBDCs could foster increased efficiency and advancement in the overall financial infrastructure

which would trigger pragmatic shift towards digital monetary transactions in both the retail and wholesale segments were highlighted. The conference also shed invaluable insights into the various applications of CBDCs, the challenges currently faced by the banking institutions, and the exciting new developments in offline CBDC usage. A comprehensive overview of the policy-level considerations and implementation strategies surrounding CBDCs were deliberated upon.

## 12. Program on Data Protection, Data Privacy and Data Localization

**Date** September 11, 2023

**Coverage** Data Protection and Privacy: Relevance in an Increasingly Digitalized World- Policy Issues; Implementation of Data Protection Policy - Regulatory Framework; International Trends in Data Protection and Privacy Security; Data Localization – Regulatory Outlook and Issues; Bank Data Security & Supervisory Requirements; Technological Challenges and Solutions.

### Takeaways

The program provided valuable insight into the evolving policy guidelines on data protection, maintaining its privacy and on various aspects of data localisation. The program also discussed the guidelines of the Reserve Bank on Digital Lending & Cybersecurity and the various regulatory guardrails. The participants were made aware of the various aspects of Digital Personal Data Protection Act (DPDPA) and its significance in ensuring protection of data and maintaining data privacy of customers. The program while discussing the technological challenges in data protection & privacy, also highlighted the existing provisions in the EU's General Data Protection Regulations (GDPR) and responsible use of Artificial Intelligence and Machine Learning while processing personal data / information. The program highlighted the complexities of the new data protection & privacy legislation in the offing and the resultant enhanced supervisory compliance requirements for the banks and FIs.

## 13. Program on Customer Education & Protection: Evolving Trends, Role and Responsibilities

**Date** October 06, 2023

**Coverage** Regulatory Perspective and Institutional Framework for Customer Service and Consumer Protection; Issues in Customer Service in the Changing Paradigm of Financial Services; Financial Education – Strategy and Approach; Technology Tools for Enhanced Customer Service & Safeguards.

### Takeaways

The program emphasized the importance of proactively addressing customer grievances while ensuring prompt redressal within defined timelines. It also highlighted the need for safeguarding customer interests and promoting continuous financial literacy support. It was also stressed that customer service should be rendered with adequate sensitivity and in order to improve customer service Root Cause Analysis (RCA) should be done on an ongoing basis. Furthermore, the program highlighted the importance of compliance with the regulatory guidelines, the importance of having an institutional framework for customer protection and significance of financial education. The program stressed that to meet the expectations of customers, it is necessary to have a more customer-centric approach, have customer friendly products and focused approach to resolve customer grievances at the first instance to prevent further escalation which would be in alignment with the perspective of RBI / Government of India.

## 14. Program on Credit Risk Management and Securitization

**Date** October 17-18, 2023

**Coverage** Topics deliberated in the program were Macro Environment and Its Impact on the Lenders Credit Portfolio; Regulatory Framework for Securitisation of Assets; Credit Risk & Expected Loss Based Approach for Loan Loss Provisioning; Trade Financing and Non- Fund Based Business of Banks - Understanding and Managing the Risks; Credit Rating Framework used by Rating Agencies: Reasons for Rating Changes; Infrastructure Financing – Issues and Challenges and Mitigation of Risks; Credit Risk Management - Risk Based Pricing & RAROC Portfolio Quality Index; Creative Accounting and Financial Fraud Red Flags; Retail Lending Risk & Management; Early Warning Signals and Monitoring of Credit Portfolio.



## Takeaways:

The program discussed on the macro environment impacting the lenders credit portfolio and gave an overall view on credit risk management and the related recent developments and challenges. The need and the Regulatory Framework for Securitization of Assets was discussed. The program delved into the transition from the traditional incurred loss model to the Expected Credit Loss (ECL) model. The risks in Trade Financing and & Non-fund Based Business were highlighted. Discussions revolved around the credit rating framework, exploring issues such as transparency, accuracy, and potential conflicts of interest within credit rating agencies and how credit ratings play a pivotal role in investment decisions and market behavior. Participants obtained a deeper understanding of credit risk management and risk-adjusted pricing, essential for informed financial decision-making. As part of the credit risk management, it was told the importance of being aware and vigilant about the creative accounting and the financial red flags. Finally, a discussion on the development of robust systems for identifying early warning signals and the importance of monitoring of credit.

## 15. CAFRAL Advanced Leadership Program (CALP)

**Date** October 27-28, 2023 and Foreign Leg - October 30 – November 04, 2023

**Coverage** The Indian Leg covered topics such as Global and Domestic Macroeconomic Prospects and Challenges; Risk Management in Banks – Current Scenario & Challenges; Governance and Business Strategy; Leadership, Team Building and Communications: Group Activity Implications of Advanced Technologies for Financial Intermediation; Climate Change & ESG Imperatives; Cyber Security Challenges for Banks. The Foreign Leg covered topics such as Global Financial Market; Capital Markets/Market Microstructure; Digitalization of Banking and Finance; Governance and Uncertainty Management; Financial Policy: Emerging Global Policy Issues in Banking and Capital Markets; Business Analytics for Decision Making in Banking; Bank Risk Management: How to evaluate credit risk; Robo-Advising: AI and the Future of Financial Services; New Data to Improve Monetary Policy; Advanced Leadership: CALP (Credit, Markets, and Financial Technologies); Cyber-Security.

## Takeaways:

The program provided a comprehensive view of the risk management within the financial system, delving into the intricate understanding of various risks inherent in the sector. An integral part of the discussion was the imperative of addressing climate change by the financial sector and the pivotal role that banks can play in fostering sustainability. Participants gained valuable insights into global economic trends, with an emphasis on the need for continuous learning to navigate the evolving financial landscape and its associated risks. The program shed light on the changes in the financial landscape and the risks associated with these transformations. Cybersecurity challenges for banks were thoroughly examined, alongside the implications of advanced technology for financial institutions, emphasizing the need for robust risk management practices. The program also provided a global perspective of financial market, covering the latest trends in technology, risk, governance, AI, and advisory roles. The participants had the benefit of the perspective from the faculty of the University, having helicopter view of the happenings / developments in the US and Globe and its impact on the banks. The program concluded with a comprehensive discussion on climate imperatives, cybersecurity challenges, risk implications and challenges, and the implementation of environmental, social, and governance (ESG) principles, AI, ML, Cyber fraud providing participants with a holistic understanding of the multifaceted aspects shaping the contemporary financial environment. Additionally, participants had the opportunity to tour prominent institutions such as the International Finance Corporation (IFC) and Federal Deposit Insurance Corporation (FDIC). At IFC, participants got insights on the functioning of IFC, their funding, projects they finance, opportunities for the Indian Banks to co-lend with them for the Bank's clients. The visit to FDIC gave an overview of the functioning of FDIC, how it evolved over the decades, way they look at the safety and soundness of the insured banks, how incidences of failure of banks have come down over the decades due to their initiatives, predictive analytics they adopt to spot the incipient weakness in the Banks much earlier and to initiate corrective action to protect the interests of all the stakeholders etc.

## 16. Virtual Program on Artificial Intelligence and Machine Learning

**Date** November 10, 2023

**Coverage** Banking on AI/ML; Fundamentals of AI/ML for Management; AI/ML Governance and Oversight; Business Strategy with AI/ML – Significant Use Cases; Risks in AI/ML and Risk Management; Use of AI/ML in Transaction Processing: The Road Ahead.

### Takeaways:

This thoughtfully structured one-day Virtual Program (VP) was designed to guide banks in leveraging artificial intelligence (AI) and machine learning (ML) for expeditious business scaling. The VP emphasized the importance of countering threats, detecting early warning signals, and preventing fraud through investments in AI, ML, and cybersecurity. Also, it deliberated on how boards of banks are urged to shift their focus towards technology for robust risk management and digital lending. The VP stressed the need for training and awareness on the tools / applications pertaining to all and not just limited to the personnel associated with IT projects and systems. This VP provided insights into AI's adoption within the banking sector and its transformative potential when approached strategically with a keen understanding of both its capabilities and risks.

## 17. Program on Governance and Assurance for Directors on Boards of Banks, FIs and NBFCs

**Date** November 17, 2023

**Coverage** Enhancing Credibility of Organisation through Good Governance and Assurance – Strategic Role of Directors; Risk Based Supervision – Assessment of Governance Standards and Assurance Functions; Managing Non-Financial Risks – Oversight Functions of the Board; Ethical Performance, Conflict Resolution and Value Oriented Strategic Decisions; KYC / AML Measures – Expectations from Banks; Governance Challenges in Use of Advanced Technologies.

### Takeaways:

The program underscored the rapid evolution of the business environment, emphasizing the crucial responsibility of board members to stay well informed about regulatory, supervisory and operational developments impacting while also ensuring adherence to ethical practices. It was also emphasized that the independent directors play a significant role in fostering good governance. The speakers also outlined the role and responsibilities of the directors and stressed on the critical role played by the board and its various committees. The program provided an excellent overview of both financial and non-financial risks, offering practical inputs for independent directors to be vigilant during board meetings. The participants were made aware of the crucial role played by the Board of Directors in upholding good corporate governance and its responsibility in having an oversight on the various risks faced by the banks and financial institutions. Additionally, the program addressed the opportunities, risks & challenges arising out of technology adoption including AI/ML, and emphasized on the importance of understanding and managing these risks. The discussions concluded with a focus on the deep understanding of effective governance principles and the necessary initiatives for achieving “Transformational Board Governance”.

## 18. Virtual Program on Lending to Agro MSMEs

**Date** November 21, 2023

**Coverage** Financing Agro MSMEs: Regulatory Perspective; Bankers & MSME Borrowers –Emerging Needs and Sensitivity; Co-lending Model for Agro-MSME Financing; Agro Enterprises in Supply Value Chain: Opportunities for Bank Lending; Digital Lending Scenario in India for MSME; Climate Friendly Financing of Agro-MSMEs.

### Takeaways:

This Virtual Program proved to be a unique and insightful initiative, shedding light on crucial aspects to be considered by banks. The importance of co-lending and green finance was underscored, emphasizing the necessity for domain experts to tailor products for effective penetration. The program delved into topics such as Agro financing, climate-based financing, and the supply chain of Agro MSMEs, offering a comprehensive learning experience. Participants gained valuable insights into the industry, including digitization opportunities for Agro value chain financing and the development of lending models. The program highlighted the significance of subject matter experts in providing insights into lending to Agro MSMEs.



## 19. Virtual Program on Know Your Customer (KYC) and Anti Money Laundering (AML),

**Date** December 08, 2023

**Coverage** Emerging Frontiers in KYC and AML Compliance; KYC and AML Measures – Regulatory Framework; Supervisory observations & expectations in KYC and AML implementation – Use cases; Central KYC Registry & Compliance – Issues and Challenges; Transaction Monitoring and Beyond; Trade Based Money Laundering.

### Takeaways:

The VP delved into diverse measures aimed at mitigating the risks linked to KYC non-compliance. Additionally, it stressed on the need to have a process of perpetual KYC requirement and outlined key observations presented by the Department of Supervision (DOS). Board Directors were urged to conduct a detailed examination of their organization's KYC-AML policy and implementation. The VP offered a thorough examination of the regulatory landscape complemented by insights from practitioners. Furthermore, it emphasized the overarching goal of proactively staying ahead of the curve by leveraging technology and maintaining vigilance.

## 20. Virtual Conference of Heads of Audit & Inspection

**Date** December 15, 2023

**Coverage** Evolving Role and Significance of Internal Audit/ Inspection as an Assurance Function; Risk Based Internal Audit of Banks – Supervisory Issues and Concerns; Assessing Incident Response Capabilities, Cybersecurity Framework and IT Governance in Financial Institutions; Audit Techniques, Significance of Audit Scoping and Fieldwork - Static vs. Dynamic Approach; Significance of Data Analytics and Future Trends in Internal Audit; Use of Advanced Technologies in Internal Audit.

### Takeaways:

The program offered valuable insights into various aspects of internal audit and extensively covered recent technological advancements that had a transformative impact on auditing process. Further, the participants were made aware on the importance of being technologically prepared, while also being updated on the latest audit techniques. It was also stressed on the need for the internal auditors to upgrade their skills and the importance on being updated to be relevant to their role and responsibilities. The program underscored the need for the audit function to evolve by adopting usage of data analytics and AI. It stressed on importance of a centralized data mart and analytics system accessible across all three lines of defence. Improvements in risk-based planning, enhanced coverage, and the strategic use of AI and tools were highlighted as crucial elements. The program also highlighted the potential of AI in alleviating the routine aspects of internal audit processes and mitigating attrition challenges. The newfound knowledge of available software solutions was particularly enlightening.

## 21. Conference of Chief Risk Officers and Heads of Risk Management: Managing Non-Financial Risks

**Date** December 20, 2023

**Coverage** Baking in Non-Financial Risks in Business of Finance; Building an Operative Model for Non-Financial Risk; Data and Cyber Security: Challenges; Impact of Climate Change Risk on the Balance Sheet of Financial Intermediaries; Managing Outsourcing Risks: Issues & Concerns; Evolving Role of CRO: New Paradigm.

### Takeaways:

The Chief Risk Officers' conference served as a comprehensive exploration of the pivotal role that non-financial risk (NFR) plays within the intricate framework of a bank's risk management strategy. Emphasizing the need for meticulous attention and effective risk mitigation, the conference highlighted NFR as a dynamic and expansive terrain that depends on constantly testing the various assumptions and adept analysis to navigate the ever-changing environment. The multifaceted challenges faced by banks, particularly the surge in non-financial risks from various events, underscored the imperative for a deeper understanding. Key insights on data and cyber security were deemed critical, especially in light of emerging tech-based companies, necessitating a focus on outsourcing and non-financial risks. The conference underscored the necessity for a comprehensive approach at the board level, integrating

modelling, quantitative assessment, and refining risk assessment and qualification frameworks. The evolving nature of risk emphasized the need for rapid adaptation by banks. Acknowledging the pivotal role of the Chief Risk Officer in containing all risks, including non-financial ones, was deemed imperative for the continued well-being of regulated entities, particularly in the face of emerging challenges like climate change, cyber threats, and outsourcing.

## **22. Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): To Build a Future Ready Workforce**

**Date** January 18, 2024

**Coverage** Topics covered were Evolving HR Practices in Financial Institutions; Creating a Future Ready Workforce; Leadership Challenges in the Evolving Ecosystem – Emerging Trends in HR; CAFRAL Learning Programs – Approaches and Strategies; Learning Gaps and Developing Capabilities - Role of CAFRAL.

### **Takeaways:**

The conference discussed in details the training initiatives taken up by CAFRAL, the approached for conducting the learning programs. The one-day conference also stressed on the challenges being confronted by HR in creation of future ready workforce and evolving HR practices. The need to focus on employee engagement, with effective strategies for meeting the learning needs of divergent participants representing different generations (Z/Y) was also stressed while underscoring the pivotal role of HR in balancing both people and performance (P+P). Additionally, it highlighted the critical importance of motivating and training employees to align organizational goals with individual aspirations. A specific emphasis was placed on targeted approaches to succession planning, attrition, and workforce deployment across audit, compliance, inspection, and risk departments for a more streamlined operational framework. The conference also discussed the positive impact of HR diversity in problem-solving, strategies to eliminate rigidity in HR policies, and aligning them with business requirements. It highlighted the allocation of the best-suited individuals to high-risk compliance and audit functions, contributing to an overall comprehensive and strategic perspective.

## **23. Virtual Program on Financial Frauds and Forensic Audit**

**Date** January 24, 2024

**Coverage** Topics covered were Overview of Financial Frauds, Financial Crimes and Investigation; Fraud Monitoring & Mitigation Systems, Detection and Reporting – Regulatory Perspective; Forensic Audit – Processes, Techniques, Tools and Approaches; Evidence Collection, Maintenance of Record and Legal Resolutions – Case Studies and Discussion; Transaction Monitoring – Use of Advanced Techniques like AI & ML; Digital & Cyber Frauds – Case Studies.

### **Takeaways:**

The virtual program provided a comprehensive overview and a better understanding of mitigating financial frauds, particularly in the realm of forensic audit and evidence collection. Participants gained insights into regulatory perspectives, techniques, and approaches for fraud investigation, including cyber frauds. The importance of early detection, vigilance, and fraud prevention was emphasized, along with the need for enhanced awareness and sensitization towards credit and cyber frauds. Participants found the session valuable for applying practical learnings to enhance organizational efficiency and stay updated on evolving fraud prevention strategies.

## **24. Financial Sector Leadership Program in association with CEEI**

**Date** February 5 to 9, 2024

**Coverage** Topics covered were Emerging Paradigm in Banking Leadership; Macroeconomic Scenario: Shaping Indian Economy through Banking; Introduction to CAFRAL CEEI Leadership Competency Framework; Online Assessment of Competencies and Personality Test; Future Outlook for Leaders in the Financial Sector; Banking Policy Landscape – Present and Future; Fireside Chat Leadership Culture – Style and Substance; Creating Strategic Value; From Strategy to Execution; Winning in the Age of Digital Tsunami; Business Value Creation with Digital; Identifying Digital Business Models for Growth; Collaborative Leadership: Becoming a Trusted Advisor; Collaborative Leadership: Being Bold; Creating a Change Ready



Mindset; Influencing to Drive Change; Governance & Assurance – Issues and Challenges; Unbundling Leadership Competency Assessment and Sample Report; Create a Leadership Development Plan.

**Takeaways:**

The CAFRAL-CEEI Financial Sector Leadership Program provided an intricate detail of transformation of the India' financial sector driven by digitalization and evolving consumer preferences. Expert facilitators, including senior industry professionals, provided invaluable insights into macro-economic issues, regulatory compliance and the indispensable role of banks in economic development. The faculty of Catalyst Executive Education Institute (CEEI), covered topics ranging from Strategic Planning to Digital Business Models and Transformation, fostering a holistic approach to leadership development. The participants went through a comprehensive customised intervention that was broadly classified into three main impactful areas of managing business, managing others/team and managing self. Managing business and managing team comprised of the outside-in approach where the former focused on customer centric digital business innovation and creating strategic value and the latter covered topics like Influencing without authority, collaboration and becoming a trusted advisor. Managing self was an inside-out approach comprising of a detailed self-assessment CAFRAL-CEEI Competency Framework that was administered focusing on Strategic Thinking and Strategic Doing. A customised competency report was generated for each of the participants who were provided with inputs for creating individual development plans. Key takeaways underscored the mastery of leadership dynamics, the significance of understanding macroeconomic impacts, and the imperative of embracing digital transformation, empowering participants to excel and drive positive change in the dynamic financial sector

**25. Virtual Program on Know Your Customer (KYC) and Anti Money Laundering (AML)**

**Date** February 23, 2024

**Coverage** Topics covered were KYC and AML Measures - Regulatory Framework; Supervisory Observations on KYC & AML Compliance - Use Cases; KYC & AML Compliance - International Perspective; Central KYC Registry and Compliance; Transaction Monitoring - Key Issues; KYC & AML - Compliance, Accountability & Enforcement.

**Takeaways:**

The program emphasized on how critical it is that the Boards of Regulated Entities (REs) gives the KYC procedure top priority. It also emphasized on how important it is to implement strict KYC-AML procedures. The program was deemed highly interesting and invigorating by the participants, providing significant updates and perspectives. For compliance with KYC/AML rules, strong policies, systems, and procedures were deemed essential. Efficacy of compliance requirements require constant monitoring. It was underlined how important it is to update systems (both software and hardware) in order to ensure compliance, skillfully striking a balance between automation and manual involvement. In general, participants found the topics and discussions highly relevant and informative

**26. Virtual Program on Compliance for Senior Officers of Banks, FIs & NBFCs**

**Date** March 6, 2024

**Coverage** Topics covered were Effective Compliance in Banks: Regulatory Expectations; Governance, Risk & Compliance Framework - Emerging Trends; Compliance: International Best Practices; Risk Based Supervision - Assessment of Compliance Risk; Use of Technology in Compliance Functions; Compliance, Accountability and Enforcement

**Takeaways:**

The program emphasized on the critical aspects of Assurance and Compliance, Supervisory concerns, Enforcement processes, and the role of technology particularly the web-based platform DAKSH, in compliance functions. Additionally, it offered valuable takeaways such as insights into governance, the essential requirements of a compliance unit, and the consequences of regulatory compliance gaps. Emphasizing the importance of fostering a Risk & Compliance culture within teams and the organization, the program aimed to instill a deeper understanding of the overall regulatory compliance and risk mitigating processes. The program provided insights into the evolving compliance landscape, including emerging

regulatory trends and best practices for addressing compliance challenges. Overall, the participants gained a deeper understanding of the importance of compliance functions, the challenges being faced by financial institutions in maintaining compliance, and strategies for effectively managing compliance risks in today's dynamic regulatory environment.

## **27. Program on Current Issues in Banking and Finance**

**Date** March 11-15, 2024

**Coverage** Topics covered were Reflections on the Economy & Monetary Policy; Financial Stability - Risks and Resilience; Role of RBI in Public Debt Management; Climate Change Risk & Sustainable Finance; Financial Markets: Recent Developments; Evolving Paradigm of Risk Management; Financial Crime (KYC & AML): Use Cases; Cyber Risk & Resilience; Data Analytics, Artificial Intelligence & Machine Learning; Monetary & Fiscal Co-ordination; Institutional Framework for Customer Service and Consumer Protection; Issues in Customer Service in the Changing Paradigm of Financial Services; Fireside Chat- Strategic Approach for Influencing Outcomes; Inclusive Banking and Impact on Socio-Economic Outcomes; Evolving Fintech Landscape: Opportunities & Challenges; Regulatory Approach to Emerging Issues in Banking & Finance; Dimensions of Digital Transformation in Financial Services; Data Protection & Privacy; Corporate Governance Framework in Financial Sector; Decoding Geopolitical & Macroeconomic Landscape: Outlook 2024-25; Advanced Technologies in Financial Intermediation; Central Bank Digital Currency (CBDC).

### **Takeaways:**

The recent program for the Officers' of the Indian Economic Service and Bankers offered a comprehensive overview of the financial sector including the macro-economic landscape, focusing on challenges posed by digitalization and use of advanced technologies and the evolving role of regulators. The sessions also delved into macroeconomic trends and the impact of RBI's monetary policies on the Indian economy. The program emphasized on the importance of corporate governance, given its role in ensuring fair and transparent operations within financial institutions. Moreover, the program shed light on emerging themes such as the integration of climate aspects into financial policies and the influence of data protection on banking operations. With technological advancements, particularly in AI/ML, reshaping the banking sector, participants gained insights into risk management, customer protection and data privacy. Additionally, the program fostered discussions on leadership mind set, ethical considerations and the importance of running an organization with fairness to all stakeholders. The sessions on Decoding Geopolitical & Macro Economic Landscape and Digital Transformations by the industry experts provided impactful insights, enriching learning experience and the participants thoroughly enjoyed them. Overall the program equipped the participants with a deeper understanding of the financial sector and the various challenges impacting the sector and the economy.



# Annex 3

## **CAFRAL Team, as on July 31, 2024**

1. Bibhu Prasad Kanungo, Director
2. Dr. Nirupama Kulkarni, Senior Research Director
3. J K Pandey, Senior Program Director
4. Sunita S Ratanpal, Senior Administrative Officer
5. Sankaranarayanan Chandramouli, Senior Program Director
6. Dr. Gautham Udupa, Research Director
7. Dr. Kaushalendra Kishore, Research Director
8. Dr. Yogeshwar Bharat, Research Director
9. Dr. Nirvana Mitra, Research Director
10. Dr. Vidya Soundararajan, Research Director
11. Dr. Sankalp Mathur, Research Director
12. Dr. Hari Babu Varshney, Administrative Officer
13. Monica Monteiro, Administrative Officer (Research)
14. Vijaya Lakshmi Das, PS to Director
15. Ashok Bathija, PS to Additional Director
16. Nimesh Gopiyani, Accounts Manager
17. Anup B Sonawane, Web Content Manager
18. Pushpalata Nadar, Program and Relationship Officer
19. Charulatha Ramesha, Program and Relationship Officer
20. Trupti Kanade, Junior Accounts Officer
21. Chandrakant Kolase, IT Support Officer
22. Aishwarya Bhamidipati, Research Associate
23. Niranjan Kumar, Research Associate
24. Twinkle Halder, Research Associate
25. Rupsha Dey, Research Associate
26. Saptashya Ghosh, Research Associate
27. Rumana Patel, Research Associate
28. Agrani Gupta, Research Associate
29. Advait Moharir, Research Associate
30. Oshin Lodhi, Research Associate
31. Amartya Prem Rajamalla, Research Associate
32. Vijayshree Jayaraman, Research Associate
33. Akanksha Sinha, Research Associate
34. Hisham Shajahan, Research Associate
35. Vidushi Balakrishnan, Research Associate
36. Apoorv Khatri, Research Associate
37. Mahesh Vetkoli, Office Boy
38. Mangesh Vetkoli, Office Boy
39. Amol Gaikwad, Office Boy









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