

Highlights of CAFRAL Activities

RESEARCH PUBLICATIONS (New Working Papers)

Dr. Sankalp Mathur released a new working paper “Markup Heterogeneity, Openness, and the Pro-Competitive Gains from Trade Across Countries”, co-authored with Hamid Firooz and Gunnar Heins. (Link: <https://www.cafral.org.in/Research-Papers.aspx> and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4916668)

Abstract: How does trade affect global competition and how do pro-competitive gains from trade vary across countries? To answer these questions, we develop a multi-country, multi-sector model of international trade with endogenously determined markups in the presence of (i) sector- and country-specific demand elasticities, (ii) responsiveness of import and export markups to the extent of competition, and (iii) rich variation in market shares, productivity distributions, and trade costs. We quantify the relative importance of each of these

factors and document significant cross-country variation in the pro-competitive gains that inversely depend on countries' import shares and the responsiveness of markups to market shares on imports versus exports. Our results suggest that only large countries experience sizable pro-competitive gains from trade and only in the presence of a meaningful degree of variation in demand elasticities. Lastly, we find that the pro-competitive gains from trade are highly sensitive to sectoral variation in tariffs.

Dr. Vidhya Soundararajan released a new working paper “Do Rural Roads Promote Inclusive Entrepreneurship?”, co-authored with Ananyo Brahma (Link: <https://www.cafral.org.in/Research-Papers.aspx> and https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4943681)

Abstract: Achieving inclusivity in entrepreneurship has been challenging. Using data from firms in India, we examine how a national rural road construction program, which connected previously isolated villages, affects entrepreneurship across different social groups. Our findings reveal that new feeder roads boost the number of service enterprises for all caste categories, including lower-caste groups. However, manufacturing entrepreneurship increases only among upper-caste groups. The new roads expand industry diversity

in services for lower-caste groups and in both services and manufacturing for upper-caste groups. For lower-caste groups, the positive impact on entrepreneurship likely stems from the negative effect of new roads on wage employment, which contrasts with the positive impact for upper-caste groups. Lower-caste groups capitalize on market opportunities by starting new businesses, supported by access to formal financing and primary education

Dr. Nirvana Mitra released a new working paper “Bank Entry New Loans and Misallocation”, co-authored with Pavel Chakraborty

Abstract: How do banking reforms affect the real economy? By utilizing a unique policy change regarding the entry of new domestic private and foreign banks in India, we examine its effect on manufacturing firms' credit received, performance, and misallocation using unique firm-bank matched data. We find robust evidence of cherry-picking: entry of new banks resulted in higher loans, but only for the big firms by 4.8--10%. And, this resulted in an expansion in firm size. Next, we follow Hsieh (2009) and use different measures of misallocation to show that new bank relationships resulted in a drop in capital

market distortions for those big firms, improvements in physical or within-firm productivity with no change in allocative efficiency or between-firm allocation of resources, keeping them at least as constrained as before. Lastly, our counterfactual exercises show that the new banks accounted for at least a 5--7% gain in overall manufacturing output. Our findings underscore that unilateral policy change can limit the effect of other reforms, such as incentives for banks to extend loans to small firms in our case, which are not simultaneously undertaken.

SEMINAR/CONFERENCE PRESENTATIONS

Dr. Kaushalendra Kishore presented his paper “Innovation and Crises” at the Delhi School of Economics on 2nd August, 2024

Abstract: We study the impact of a bankruptcy reform that improved creditor rights on the tunneling of funds through related party transactions (RPTs) among group firms in India. The reforms introduced measures to facilitate debt recovery by creditors and promote legal efficiency in handling corporate insolvencies. We employ a triple-difference estimation strategy comparing RPTs between treated firms, defined as financially distressed firms with continued cheap bank credit, compared to other financially distressed firms, before and after reform,

and in Indian states where court systems were less efficient relative to other states. We find that improved creditor rights reduced RPT outflows, specifically in the form of loans and investments. Our findings suggest that creditor empowerment led firms to repay bank debt by reducing RPTs as well as by reducing dividend payouts. We also find no evidence of any real impact on the treated firms in the form of firm financial ratios or on sales, salaries paid, and investments.

Dr. Vidhya Soundararajan presented her paper “Do Rural Roads promote inclusive entrepreneurship?” at the Indian Institute of Management (IIM), Calcutta on 2nd August, 2024

Dr. Sankalp Mathur presented his paper “Markup Heterogeneity, Openness, and the Pro-Competitive Gains from Trade across Countries” at the CAFRAL Bi-Monthly Seminar Series on August 29th, 2024

EXTERNAL VISITOR

Dr. VV Chari, Professor, University of Minnesota visited CAFRAL on August 12-21, 2024. During his visit, he mentored researchers at CAFRAL with assessment and feedback on their ongoing research projects

Highlights of Learning Programs

Program for Non-Executive Chairman & Directors on the Boards of Banks, NBFCs, FIs | August 21-22, 2024 | Mumbai



CAFRAL had organised a two-day program for Directors on Boards of Banks, FIs and NBFCs on August 21-22, 2024. This program was held at Forum & Capitol, Hotel Taj President, Cuffe Parade, Mumbai.

This program sought to enhance board effectiveness through policy and practical aspects of Board Governance and functioning. It offered opportunities to interact with regulators and industry leaders on challenges and remedial measures on Governance and Assurance issues.

Inaugural Address was delivered by Shri. Ashwani Bhatia, Whole time Member, Securities Exchange Board of India (SEBI). J K Pandey, Senior Program Director, CAFRAL gave the opening remarks and C. Sankaranarayanan, Senior Program Director, CAFRAL provided the program overview.

Topics deliberated in the program were Corporate Governance & Ethical Practices: Board Vs Management; An Overview of Risk Management: Risk Appetite, RAROC & ICAAP; Strategic Aspects of Governance & Assurance-Expectations from the Board; Raising of Capital for Banks/NBFCs: Issues & Challenges; Retail Lending Strategy & Portfolio Choices: Opportunities & Risks; Capital Market Regulations: Board Perspective;

Governance Challenges in Use of Advanced Technologies in Financial Intermediation; Impact of Climate Change on Financial Intermediaries' Business; Collaboration of Banks & FinTechs in Financial Services-An insight for a Balanced Approach; Cyber Security in Financial Intermediaries: Emerging Threats & Vulnerabilities and Resilience Build-up; Key Committees of the Board & their effectiveness. Speakers were Ashwani Bhatia, Whole Time Member, Securities and Exchange Board of India (SEBI) ; G Srinivas, Group Chief Risk Officer, ICICI Bank; Scenta Joy, Chief General Manager, Reserve Bank of India; Deepak Kaushik, Group Head, ECM, SBI Capital Markets Limited; V. Vaidyanathan, MD & CEO, IDFC First Bank; S.V Muralidhar Rao, Executive Director, Securities and Exchange Board of India (SEBI); Dr. Avdhesh Kumar Shukla, Director, Research and Modelling Group, Department of Supervision Reserve Bank of India; Ajay Sirikonda, Partner, Leader- Financial Services Risk, Management, Ernst &Young India; Satish Rao, Deputy Managing Director, (OSD), State Bank of India; Rajesh Sharma, General Manager, Cyber Security & IT Risk Group, Reserve Bank of India; J K Pandey, Senior Program Director, CAFRAL

Program on Financial Frauds & Forensic Audit | August 26-27, 2024 | Mumbai



CAFRAL had organised a two-day program on Financial Frauds and Forensic Audit for Officers of Banks, FIs and NBFCs on August 26-27, 2024.

The program aimed to update senior executives of the financial sector on the major policy initiatives and measures taken by the regulators and other stakeholders. It also aimed at sensitizing the regulated entities comprising of Banks, Financial Institutions and NBFCs to be aware of the challenges and responsibilities in mitigating frauds, have in place adequate robust reporting and monitoring mechanism for frauds prevention. The program reiterated on the importance to have a sound forensic audit, processes to identify control failures, uncover trails and gather legally tenable evidence enabling a sound financial resolution and prosecution.

B.P Kanungo, Director, CAFRAL gave the opening remarks and J. K Pandey, Senior Program Director, CAFRAL provided the program review.

Topics covered were Frauds and Financial Crime Risks – Making REs Future Ready; Prevention and Mitigation of Financial Frauds – Regulatory Perspective; Fraud Monitoring and Fraud Risk Mitigation, Detection and Reporting – Significance of Early Warning Signals and

Information Registry; Checks and Measures as Preventive Measures in Loan Accounts – Do's and Don'ts; Frauds in Loan Accounts and Use of Technology for Early Warning Signals; Processes, Techniques, Tools and Approaches for Forensic Audit; Money Laundering and Frauds through Trade Based Money Laundering; Digital and Cyber Frauds – Tools, Techniques, Prevention, Detection and Investigations; Financial Statement Analysis – Tool for Due Diligence Analysis and Preventive Mechanism; Evidence Collection, Maintenance of Records and Legal Resolutions – Case Studies and Discussions. Other speakers were J Doma Sarath Chand, Deputy General Manager, Department of Supervision, RBI; Sampath Kumar, Chief General Manager, State Bank of India; Vikram Babbar, Partner and Financial Services Leader, Fraud Management (Forensics) & Integrity Services, Ernst & Young LLP; Chandresh Chimnani, Director, Forensics & Integrity Services, Ernst & Young LLP; Mehul Thakkar, Founder, Awesome Analytics; Charan Rawat, Head Compliance, Coöperatieve Rabobank U.A; Babitha B P, Vice President- System Audit, Reserve Bank Information Technology Ltd.; Lakshmi Rao, Partner, M/s Sarath and Associates; B. Meher Kumar, Head - Legal and RTI, Bank of Baroda

Conference of Chief Risk Officers & Heads of Risk Management: Risk Leaders in a VUCA World | August 29-30, 2024 | Mumbai



CAFRAL had organised a two-day conference of CROs and Heads of Risk Management on August 29-30, 2024. This conference provided a forum to the heads of banks' risk function to meet and discuss the emerging issues surrounding risk management against the backdrop of financial sector developments apart from interacting with the regulators.

A special address was delivered by S.C. Murmu, Executive Director, Reserve Bank of India. J K Pandey, Senior Program Director, CAFRAL gave the opening remarks and C. Sankaranarayanan, Senior Program Director, CAFRAL provided the program overview.

Topics deliberated in the program were Risk Appetite & Strategic Planning; Impact of Artificial Intelligence in the

of an Operational Risk Model; Risk Resilience, Governance & Culture: Role of Tomorrow's Risk Leaders; Credit Risk Management: Evolving Landscape & Expected Credit Risk Model; Market Risk Management: Issues & Emerging Challenges; Data Protection & Data Privacy: New Frontiers; Climate Change Risk: Challenges & Opportunities. Other speakers were Deep Mukherjee, Partner & Director, Boston Consulting Group; Siddhartha Gupta, Partner, McKinsey & Company; A. G. Giridharan, General Manager, Cyber Security & IT Risk Group, Reserve Bank of India; Aruna Pannala, Partner, Deloitte Touche Tohmatsu India LLP; Vaibhav Chaturvedi, Chief General Manager, Department of Regulation, Reserve Bank of India; Ajay Sirikonda, Partner, Leader- Financial

Financial Sector & AI as a Digital Tool for Risk Management; Cyber Security, Threat Landscape & Incident Management at Banks/FIs/NBFCs; Risk Based Supervision – Critical Observations for Improving Risk Management; Model Risk Management & Development

Services Risk, Management, Ernst & Young India; Kuntal Sur, Risk Consulting - Financial Services and Treasury Leader, PWC India; Adv (Dr.) Prashant Mali, President, Cyber Law Consulting; Anand Viswanathan, Head - Enterprise & Model Risk and Market & Liquidity Risk, Axis Bank Limited

Program on Credit Risk Management | September 11-12, 2024 | Mumbai



CAFRAL had organised a two-day program on Credit Risk Management on Sept 11-12, 2024. This program was held at Forum & Capitol, Hotel Taj President, Cuffe Parade, Mumbai.

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 emerging approaches. It also provided a platform for peer level discussion and interaction with stakeholders.

J K Pandey, Senior Program Director, CAFRAL gave the opening remarks and C. Sankaranarayanan, Senior Program Director, CAFRAL provided the program overview.

Topics deliberated in the program were Macro-Economic Environment and current lending scenario & Credit Flow Across Different Segments; Infrastructure Finance: Key Issues, Opportunities & Challenges; Credit Risk: Expected Credit Loss—Deriving Strategic Insights & Benefits; New Frontiers And Emerging Risks In Trade Finance And Supply Chain Finance; Infusing AI And GenAI In Credit Risk

Management Across Loan Life Cycle; Credit Risk Management - Risk Based Pricing & RAROC; Deriving Strategic Insights & Dynamic Portfolio Management From Credit Risk Stress Testing; Emerging Trends And Risks In Digital Lending And Co-Lending Structures; Embedding Climate Risk In Lending Decisions; Early Warning Signals and Monitoring of Credit Portfolio ; Experience Sharing. Speakers were Anand Prakash, Adviser, Department of Economic Policy and Research, Reserve Bank of India ; Sarvesh Bajaj, Partner, Deloitte India; Amitava Mukherjee, Partner, KPMG India; Charan Rawat, Head, Compliance, Cooperative Rabo Bank; Amol Padhye, EVP, Head -Group Risk & Model Validation, HDFC Bank Ltd; Anand Viswanathan, Head - Enterprise & Model Risk and Market & Liquidity Risk, Axis Bank Limited; Dhruv Parikh, Partner and Leader, FS Risk, Management, Ernst and Young India LLP; Ashok Kumar Pathak, Chief General Manager, Bank of India; Deepak Kumar, Deputy General Manager, Union Bank of India; Sampath Kumar, CGM, State Bank of India

Virtual Program on Developments in Financial Market: Trends & Challenges | September 20, 2024 | Online

CAFRAL had organised a one-day virtual program on Developments in Financial Market: Trends and Challenges on September 20, 2024.

The one-day program aimed to provide an update to the participants on the significant policy stance, provide trends in financial markets regulations. It also aims to provide the participants an insight into the governance of the benchmark processes, financial products and infrastructure for developing an efficient financial market. It sensitised the participants on issues pertaining to treasury functions, measures needed to make the market more resilient and efforts made by the policy makers on making the Indian markets currency more global.

opening remarks were given by J. K Pandey, Senior Program Director, CAFRAL. Topics deliberated were Role of Central Bank in Managing Market Volatility and Preserving Financial Stability; Financial Markets Developments – Regulatory Issues & Challenges; Internationalization of Rupee, Rupee Trade - Way Forward; Managing Market and Operational Risks in Treasury Management; Understanding the Bond Markets (Govt Bonds, SDLs & Corporate Bonds). Other speakers were Vikramjit S. Randhawa, Deputy General Manager, Financial Markets Regulation, Department, Reserve Bank of India; Ankur Gupta, Deputy General Manager, Foreign Exchange Department, RBI; Venkat Nageswar Chalasani, Chief

Radha Shyam Ratho, Executive Director, Reserve Bank of India delivered the keynote address. The Program overview and

Executive, Association of Mutual Funds in India; S. Venkata Raman, General Manager, Internal Debt, Management Department, RBI.

Program on Compliance for Officers of Banks, Financial Institutions & NBFCs | September 24-25, 2024 | Mumbai



CAFRAL had organised a two-day program on Compliance for Officers of Banks, FIs and NBFCs on Sept 24-25, 2024. This program was held at Forum & Capitol, Hotel Taj President, Cuffe Parade, Mumbai.

This two-days program provided 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.

J K Pandey, Senior Program Director, CAFRAL gave the opening remarks and C. Sankaranarayanan, Senior Program Director, CAFRAL provided the program overview.

Topics deliberated in the program were Risk Based Supervision and Assessment of Compliance; Use of Technology in Compliance Function; Resilient Transaction Monitoring; Compliance in Banks an International Perspective; Compliance against Financial Crime; Compliance with FEMA & RBI Regulations: Forex, Investment & Trade Transactions;

Governance, Risk & Compliance Framework; Cyber Security; Governance, Risk & Compliance; Significance of Internal Audit in Compliance Functions; Compliance Issues in Consumer Protection, Handling Customer Complaints and Grievances; Compliance, Accountability and Enforcement. Speakers were Tarun Kumar Singh, Chief General Manager, Department of Supervision, Reserve Bank of India; Amitava Mukherjee, Partner, KPMG India; Ramakrishna Susarla, Former General Manager and Principal Officer, State Bank of India; Jinendra Shah, Director, Senior Country Compliance and Operational Risk Manager, Bank of America; K V Karthik, Partner, Deloitte Touche Tohmatsu India LLP; Venkat Nageshwar Chalasani, MD & CEO, Association of Mutual Funds in India (AMFI); Debasis Patri, Chief General Manager, State Bank of India; Rajesh Thapar, Chief Information Security Officer, National Stock Exchange; Betsy Rajagopal, General Manager, Consumer Education and Protection Department, Reserve Bank of India; Minal Jain, CGM, Enforcement Department, RBI.

Highlights of CAFRAL Research Seminars

CAFRAL invited speakers from leading academic institutions and other central banks. A sampling of the abstracts of papers presented are given below:

Prof. Pradeep Kumar Yadav from the University of Oklahoma presented his research paper **“Liquidity Providers in "Extreme" Periods: HFM vs. HEFT”** at CAFRAL on August 1, 2024

Abstract: We use U.S. crude-oil futures data with coded trader identities to investigate the contemporaneous trading behaviors of high-frequency machine-traders (HFTs), humans trading electronically, and physical floor-traders in periods characterized by extreme levels of heightened economic complexity or uncertainty that could make it difficult for pre-programmed algorithms to effectively undertake ex-ante modeling within an automated decision-making framework. We proxy such extreme periods based on exceptionally large and persistently abnormal information shocks, or similarly extreme uninformed customer

order-flow shocks. Compared to co-existing human electronic and physical floor traders, HFTs significantly reduce trade participation, curtail liquidity provision, and increase effective spreads during information-driven extreme periods, but do not behave differently during extreme periods driven by uninformative customer order-flow. Our analyses show that these differences are likely tied to automation, not anonymity or physical floor-trading. Our results also show that real-time human electronic and floor-traders usefully complement pre-programmed machine-traders in extreme conditions

Prof. Ashwini Deshpande from Ashoka University presented her research paper **“Women’s Work in India: Balancing Paid and Unpaid Work”** at CAFRAL on August 14, 2024

Abstract: This paper presents an analysis of unit-level data from India’s first national Time Use Survey (TUS), conducted in 2019. Both men and women are engaged in unpaid as well as paid

on cooking preparation and increases time spent on paid work and leisure time. Presence of other women in the household or the presence of paid helpers does not affect women’s time

activities, but there are important gender differences in the time they spend on various activities, which vary by sector, education, age groups, income (proxied by monthly per capita quartiles) and social group. Following an analysis of gender differences in participation and time spent on various types of work, the paper narrows down to identifying determinants of time spent by women on specific domestic work and care work activities, using both standard econometric techniques as well as Machine Learning (ML) techniques, specifically Random Forest decision tree method, combined with SHAP estimation to gauge feature importance and directionality. The result from the two techniques overlap partially. ML results reveal that higher number of children and dependent adults, presence of adults with special needs, leads to higher-than-average time spent on care work. Access to piped gas, electricity decreases time spent

spent on either domestic or care work. Presence of unemployed men in the household reduces women's time spent on care work but does not affect time spent on domestic work. The paper presents back-of-the-envelope calculations of state provision of childcare through anganwadi centres (AWCs) on the ability of women to participate in paid work. Estimates reveal that this would lead to a significant increase in both incomes and employment for women, but would lead to the creation of employment opportunities that could benefit men as well as women. This could potentially lead to a significant increase in India's GDP. These results highlight the 3Rs framework: recognize, reduce, redistribute: women's overwhelming involvement in unpaid domestic and care work. The paper highlights the need for investment in the care economy infrastructure, which will boost employment via the creation of labour intensive, green jobs.

Prof. VV Chari from the University of Minnesota presented his research paper **"Taxing the Rich"** at CAFRAL on August 21, 2024

Abstract: Recently, some analysts have argued that a progressive wealth tax may have large beneficial effects on the distribution of welfare in society with small adverse effects on real economic activity. We evaluate the merits of this view, both conceptually and empirically, within a dynamic general equilibrium model in which empirically plausible income and wealth distributions arise from an agency problem between managers, executives, and entrepreneurs,

on the one hand, and capital markets, on the other. Our preliminary simulations show that even a simple version of the model accounts well for observed income and wealth inequality in the United States. The model implies a substantial aggregate output loss from wealth taxes of the magnitude currently debated, leading to a reduction in inequality that would be achieved at a much lower cost by taxing consumption rather than wealth.

Upcoming CAFRAL Research Seminars

- Prof. Sonalde Desai, Professor at the University of Maryland and the National Council of Applied Economic Research (NCAER), New Delhi on 10th October, 2024
- Prof. Rohini Somanathan, Professor at the Delhi School of Economics on 25th October, 2024
- Prof. Partha Chatterjee, Professor at the Shiv Nadar IoE, Delhi on 14th November, 2024

If you wish to be included in the mailer list of CAFRAL Research Seminars [please click here](#)

Upcoming Research Conference

CAFRAL Annual Conference: Financial System and Macroeconomy in Emerging Economies | December 12-13, 2024 | Mumbai

CAFRAL Annual Conference on Financial System and Macroeconomy in Emerging Markets will be held in Mumbai, India on December 12-13, 2024. The conference will feature keynote address by Prof. Olivier Coibion, Malcolm Forsman Centennial Professor, Department of Economics at the University of Texas, Austin; and Prof. Amiyatosh Purnanandam, Micheal Stark Professor of Finance, Ross School of Business, University of Michigan. It will feature selected presentations and discussions of state-of-the-art working papers from academic researchers in macroeconomics and finance, with a focus on emerging economies, especially India.

We warmly welcome researchers, faculty members and doctoral students from India and outside to attend the conference. However, participants who do not have a paper or discussion in the program will not be provided any financial support. Please do email us in advance if you are interested in attending with your CV to the macrofinconf@cafral.org.in email address by November 15, 2024

Upcoming Learning Programs

CAFRAL Virtual Program on Cyber Risk & Resilience | October 17, 2024 | Online

Background:

Financial intermediation has become highly tech-intensive, and are also dependent on big-techs and third-party technology solution providers. Financial intermediaries should proactively monitor and manage cyber risks in real time with appropriate risk management frameworks in their IT, cyber security and third-party outsourcing arrangements to maintain operational resilience. Cyber-attacks can disrupt critical financial operations, leading to loss of confidence and with implications for financial stability. As cyber threats transcend geographical boundaries and cyber criminals continually exploit vulnerabilities in banks and financial institutions, it is incumbent on the part of the financial intermediaries to carefully manage adoption of new technologies with simultaneously ensuring adequate control and safeguards. Since cyber risk and cyber-attacks are going to stay and have become an integral risk affecting the financial intermediaries, it is necessary to include cyber-risk and resilience as part of the governance and risk management framework taking into account the complexity and acceptable level of risk approved by their board.

Effective implementation of the cyber risk & resilience framework in an institution could be ensured only with a leadership commitment from the top with a good understanding of the cyber-risk, control, process issues and resilience architecture to address the potential vulnerabilities and bounce back at the quickest possible time in case of any cyber incident.

Objective:

This one-day program aims at contributing to capacity building at senior & top executive level, providing insights into the emerging trends in cyber-risks & cyber resilience from the perspective of operation, governance and strategy, apart from regulatory. banking landscape.

Participants' Profile

The program is open for the following executives from banks, financial institutions & NBFCs: • CISOs/CTOs • Top and Senior Officials dealing with information security, cyber-crimes & frauds, cyber risk management

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CAFRAL Virtual Learning Program for Company Secretaries and Secretaries to the Boards of Banks, NBFCs & Financial Institutions | October 29, 2024 | Online

Background:

The Company Secretaries and the Secretaries to the Boards of Banks, NBFCs & Financial Institutions play a significant and important role in ensuring the compliance of the Company and the Board of Directors with the relevant laws, rules & regulations, resolutions of both the Board and AGM's meetings including corporate governance practices. A company secretary fosters communication between the board and stakeholders, and plays a key role in helping the board make efficient decisions, safeguarding the interests of shareholders, and making sure the company operates transparently and with integrity. The Company Secretaries and the officials working in the Board secretariat should have a good understanding of the framework for governance prescribed by the various regulators.

Objective:

This VLP will provide unique learning opportunity to the Company Secretaries (CS) and Secretaries to the Boards (SB) working in the financial sector. Against the backdrop of greater emphasis laid on compliance surrounding LODR and Secretarial Standards, the Corporate Governance Standards in Banks by RBI, this VLP would deliberate on the issues that lie at the intersections of the Compliance function and Secretarial function.

Participants' Profile

Company Secretaries, Secretaries to Board, Senior Officers of Compliance Group/Divisions of Banks, NBFCs & FI

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CAFRAL Virtual Conference of Heads of Inspection and Audit | November 7, 2024 | Online

Background:

Internal inspection and audit in banks / NBFCs / Financial Institutions (FIs) are critical components of a robust risk management framework, ensuring the institution's operations are compliant, efficient, and aligned with internal policies and external regulations. These serve as a safeguard against financial, operational and reputational risks, contributing to the overall stability and trust in the banking / financial system. The regulator also places significant emphasis on the internal inspection and audit systems of banks / NBFCs / FIs. Besides being a regulatory requirement, inspection and audit also forms the foundation of good governance, operational integrity, and financial stability while also ensuring the safety and soundness of the financial system. This function also helps decision makers protect organizational assets and support operational sustainability making it an essential and effective risk management tool, providing the Board and senior management with critical information to accurately attest to the adequacy of internal controls.

Objective:

This one-day Virtual Conference will deliberate on emerging business scenarios, changing risk environment and need for redesigning the audit strategies, approaches and tools. It will provide opportunities to the participants to interact with experts & regulators in the areas of audit and audit practices, besides the emerging trends and challenges in internal audit.

Participants' Profile

- Heads of Internal Audit and Inspection • Senior Officers of Internal Audit and Inspection team can also accompany their heads
- Independent Directors

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