

Highlights of CAFRAL Activities

RESEARCH PUBLICATIONS

Dr. Gautham Udupa's paper titled "Multinational entry and exit, technology transfer, and international business cycles" was accepted for publication at the Journal of Economic Dynamics and Control. (Link: <https://www.sciencedirect.com/science/article/pii/S0165188924001064>)

Abstract: I develop a general equilibrium model of trade and horizontal multinational firms with firm heterogeneity and parent-to-affiliate technology transfer to evaluate how multinationals affect international business cycles. When calibrated to match micro and macro features of the United States, the impact of multinational firms crucially depends on the labor supply elasticity and the technology transfer parameter. Surprisingly, with standard (elastic) labor supply, multinationals lead to lower international correlations and higher macroeconomic volatility. A novel mechanism – procyclical exit of multinational firms – drives these results. The results are overturned only when inelastic labor supply and a high level of technology transfer are implemented together. Using novel bilateral data on the number and sales of multinational affiliates, I find evidence that the key model mechanism, i.e., entry and exit by multinationals, increases international output correlation.

NEW WORKING PAPERS

Dr. Gautham Udupa released a new working paper "Food, Fuel and Facts: Distributional Impact of External Shocks", co-authored with Saroj Bhattarai and Arpita Chatterjee.

Abstract: We show that global commodity price shocks lead to a significant decline over time in Indian household consumption. These negative effects are heterogeneous along the income distribution: households in lower income deciles experience more adverse consumption effects following an exogenous rise in food prices, whereas households in both the lower and the middle income deciles are affected similarly following an exogenous rise in oil prices. We investigate how income and relative price changes contribute to generating these heterogeneous consumption effects. Global food price shocks lead to significant negative real earnings effects that mirror the pattern of negative consumption effects along the income distribution. Both global oil and food price shocks pass-through to local consumer prices in India, increasing the relative prices of fuel and food respectively. Consumption expenditure shares of food and fuel however, increase for certain income groups with such a rise in relative prices, thereby providing evidence for non-homothetic preferences. Specifically, we show that food, and particularly, pulses and sugar, is an essential consumption good for the lower income groups, whereas fuel is an essential consumption good for the rich.

SEMINAR/CONFERENCE PRESENTATIONS

Dr. Gautham Udupa presented his paper "Do Creditor Rights reduce tunnelling? Evidence from India's Bankruptcy Law Reforms" at the Computational Economics and Finance Annual Conference in Singapore on June 20-22, 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. Gautham Udupa presented his paper "Dominant Currency Credit Shocks, Trade Invoicing and Real Effects: Evidence from India" at the Society of Economic Dynamics Conference in Barcelona, Spain on June 26-28, 2024.

Abstract: We provide causal evidence on the linkage between dollar liquidity and dollar invoicing exploiting an unanticipated shock to the dollar financing around the Taper Tantrum. Using the differential funding shock across countries, we test the impact of dollar liquidity on invoicing and imports by Indian firms using transaction-level data. We find that (i) firm-level dollar invoicing drops in response to dollar funding shock with corresponding rise in Euro and producer currency pricing, (ii) local presence of foreign banks allows Indian firms to smooth-out the liquidity shock, and (iii) firms transfer liquidity from one market to another using their internal capital markets to smooth-out country specific funding shocks. We document that firms unable to maintain the level of dollar invoicing are more likely to lose a trade connection.

Dr. Gautham Udupa presented his paper "Do Creditor Rights reduce tunnelling? Evidence from India's Bankruptcy Law Reforms" at the Indian School of Business on July 5, 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. Nirvana Mitra presented his paper on “Bank Entry, New Loans, and Misallocation” at the ABL Workshop at IIM Ahmedabad (jointly hosted by IIM-A, IIM-Bangalore and Lancaster University, UK) on July 8-9, 2024

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%. More credit resulted in firm size expansion and 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 entry of the new banks accounted for at least a 5--7% gain in overall manufacturing output. Our findings suggest that unilateral policy change can limit the effect if other reforms, such as incentives for banks to extend loans to small firms in our case, are not simultaneously undertaken.

EXTERNAL VISITOR

Dr. Nirvan Dasgupta, Professor of Finance at the London School of Economics and Political Science visited CAFRAL from 8th to 16th July. During his visit, he mentored researchers at CAFRAL with assessment and feedback on their ongoing research projects. CAFRAL also hosted two visiting fellows - **Aparajit Mahajan (Associate Professor at University of California, Berkley)** and **Meghana Ayyagari (Professor at George Washington University)**. During their visit, they held fruitful discussions on ongoing research projects with CAFRAL researchers. Their contributions provided valuable insights and advanced the collaborative efforts between CAFRAL and the visitors.

SPECIAL LECTURE

CAFRAL Research, in collaboration with the International Department at the Reserve Bank of India organized a talk by **Professor Kenneth Kletzer (Professor, University of California, Santa Cruz)** on “**India’s Foreign Reserves and Global Risks**” on July 8th, 2024 at Central Office, RBI. The talk was widely attended by researchers at CAFRAL and RBI.

Highlights of Learning Programs

CAFRAL Virtual Conference of CFOs: Emerging Roles and Dimensions | June 7, 2024 | Online



B.P. Kanungo



Sunil Nair



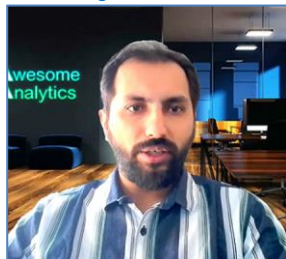
Aninda Pal



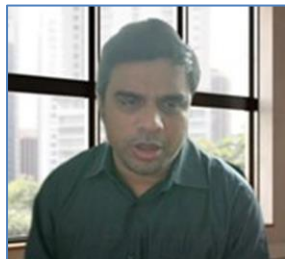
Nethaji Bhudevan



Rakesh Jha



Mehul Thakkar



G. K. Subramaniam



C. Sankaranarayanan

CAFRAL had organized a one-day virtual conference (VC) of Chief Financial Officers: Emerging Trends and Dimensions, June 07, 2024.

This conference aimed to provide a perspective on the changing nature of the finance function and the evolving role of CFOs in the financial sector in today’s heightened disclosure and reporting framework of the Regulator. The conference also dealt with some of the traditional but intricate technical issues faced by the CFOs and their teams.

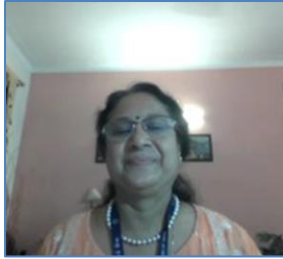
Topics covered in the conference were CFO Through the Supervisory Lens: Emerging Picture; New Statutes and Amendments: What Matters for the CFO; Present Day CFO: A Reflection; Use of Advanced Technologies: AI & ML; ESG & Compliance; Statutory Audit, Financial Statements and Corporate Governance.

B P Kanungo, Director, CAFRAL made the opening remarks and C. Sankaranarayanan, Senior Program Director, CAFRAL provided an overview of the program. Other speakers were Nethaji Bhudevan, Deputy General Manager, Department of Supervision, Reserve Bank of India; Aninda Pal, Partner, DSK Legal; Rakesh Jha, Executive Director, ICICI Bank; Mehul Thakkar, Founder, Awesome Analytics; Sunil Nair, Chief General Manager, Department of Regulation, Reserve Bank of India; G. K. Subramaniam, Partner, Deloitte Haskins & Sells LLP, India.

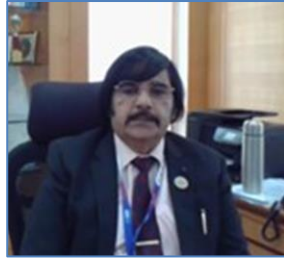
CAFRAL Virtual Program on Customer Education & Protection: Developing Trends and Responsibilities | June 12, 2024 | Online



B.P. Kanungo



Betsy Rajagopal



Ravi Kumar V.R. Majumdar



Sanjay Kumar



Sudhanshu Kumar Singh



C. Sankaranarayanan

CAFRAL had organized a one-day virtual program Customer Education & Protection: Developing Trends and Responsibilities, June 12, 2024.

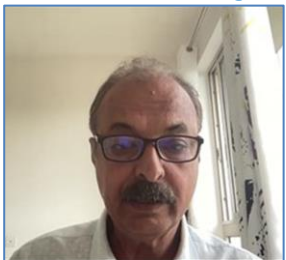
The virtual program focused on the need to ensure high standards of customer service, besides enabling participants to become well conversant with the institutional and technological framework required for enhanced customer service, customer protection and grievance redressal. The program provided opportunities 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 the conference were Customer Service & Consumer Protection: Regulatory Perspective and Institutional Framework; Issues in Customer Service in the Financial Services Sector: Changing Landscape; Financial Education – Strategy and Approach; Root Cause Analysis of Maintainable Complaints & Grievance Redressal; Enhanced Customer Service & Safeguards: Use of Technology Tools.

B P Kanungo, Director, CAFRAL made the opening remarks and C. Sankaranarayanan, Senior Program Director, CAFRAL provided an overview of the program. Other speakers were Betsy Rajagopal, General Manager, Consumer Education and Protection Department, Reserve Bank of India; C. Sankaranarayanan, Senior Program Director, CAFRAL; Ravi Kumar V.R. Majumdar, Chief General Manager & CXO, State Bank of India; Sanjay Kumar, Chief General Manager and RBI Ombudsman- II, Reserve Bank of India; Sudhanshu Kumar Singh, General Manager, Bank of Baroda.

CAFRAL Virtual Program on Risk Management for Directors on Boards of NBFCs | June 28, 2024 | Online



Ashok Narain



Deepti Sharma



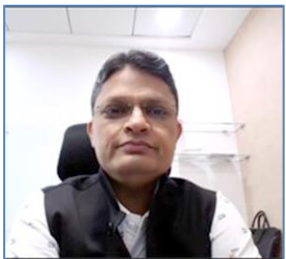
G Mahalingam



Nagesh Pinge



Rajendra Kumar



Rounak Shah



Jyoti Kumar Pandey

CAFRAL had organized a one-day Virtual Program (VP) on Risk Management for Directors on Boards of NBFCs on June 28, 2024. The virtual program aimed at updating the directors on the board of NBFCs with the extant regulations, expectations on conformity with corporate governance standards including composition of various committees highlighting their role and functions, and the periodicity of meetings etc. The program also aimed at assisting the directors in

understanding and making them more aware enabling them to discharging their roles and responsibilities more efficiently.

The topics covered in the VP were Role and Responsibilities of Directors – Expectations of the Regulator; Improving Effectiveness of Boards - Role of Directors in Risk and Management Committees, Audit Committee and ITSC; Understanding Enterprise wide Risk Management – Role of Directors; Issues and Challenges of Directors – Mitigating Challenges Efficiently; Role of Directors on various Committees – Asking the right questions, Ethical Performance,

Conflict Resolution and Value Oriented Decisions; Developing an Effective Operational Risk Framework for stronger Internal Controls.

Jyoti Kumar Pandey, Senior Program Director, CAFRAL made the opening remarks and gave an overview of the VP. Other speakers were Ashok Narain, Former Chief General Manager, Reserve Bank of India; Rajendra Kumar, Assistant General Manager, Department of Supervision, Reserve Bank of India; Rounak Shah, Partner, PwC India; Deepti Sharma, Deputy General Manager, Department of Supervision, Reserve Bank of India; Nagesh Pinge, Independent Director, Aditya Birla Capital; G Mahalingam, Former Whole Time Member, SEBI.

CAFRAL Virtual Program on Fintech and Advanced Technologies in Financial Intermediation | July 12, 2024 | Online



Akhilesh Tuteja



Suvendu Pati



Vishal Kanvaty



Sudhanshu Kumar Singh



BVS Saikrishna



Jyoti Kumar Pandey

CAFRAL had organized a one-day Virtual Program (VP) on Fintech and Advanced Technologies in Financial Intermediation on July 12, 2024.

The virtual program offered a well-rounded view on the use of technologies from business and strategy perspectives. It provided the regulatory view and the policy approach along with the requisites to develop an appropriate ecosystem. The program also gave insight into the digital public infrastructure and significance of maintaining customer service and governance standards. Additionally, it provided an understanding of the potential that advanced

technologies offer and the changes required in the structure & control processes within the organization.

The topics covered in the VP were Financial Intermediation – Role of FinTechs and Advanced Technologies: Opportunities and Challenges; Deepening the financial system – Role of Technology; Digital Public Infrastructure - Evolution of the ecosystem, their role in fostering innovation and the road ahead; Institutional arrangement – Requisite Governance, customer centricity and guardrails; Leveraging Fintechs in Financial Services finding the right approach/ balance; Role of AI / ML – Enhancing Experience and Mitigating Challenges.

B.P. Kanungo, Director, CAFRAL made the opening remarks while Jyoti Kumar Pandey, Senior Program Director, CAFRAL gave an overview of the VP. Other speakers were Akhilesh Tuteja, Partner & National Leader, Cyber Security, KPMG India; Vishal Kanvaty, Chief Technology Officer, National Payments Corporation of India; Suvendu Pati, Chief General Manager, FinTech Department, Reserve Bank of India; Sudhanshu Kumar Singh, General Manager, Digital Banking Operations, Bank of Baroda; BVS Saikrishna, Founder & CEO, Divsight Intelligence Private Limited & Pinaca Technologies.

CAFRAL Program on Know Your Customer (KYC) and Anti Money Laundering (AML) | July 25-26, 2024 | Mumbai



Senior Program Director and other speakers with participants during CAFRAL Program on Know Your Customer (KYC) and Anti Money Laundering (AML).

CAFRAL had organized a two-day Program on Know Your Customer (KYC) and Anti Money Laundering (AML) on July 25-26, 2024.

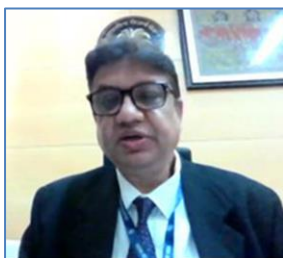
This program offered senior executives of Banks, NBFCs, and their team members, an overview of the KYC-AML framework including measures to address the various risks associated with its non-compliance, provided the latest update on the regulation and measures to strengthen the framework. The program also updated the participants on the requisite management oversight, systems & controls, segregation of duties, disseminating the approach of national agencies, trends and other related matters. The topics covered in the program were KYC and AML Measures – Regulatory Perspective and Recent Developments; Supervisory Observations and Expectations on KYC, AML / CFT Compliance – Use Cases; Curbing Money Laundering and Financial Crime – Issues and Challenges; Compliance Failures in KYC / AML and Regulatory Fallouts – Case Studies; Enterprise-wide KYC & AML Risk Management; CERSAI – Role, Responsibilities and Roadblocks; Legal Issues Surrounding Customer Service, Customer Identity, Identity Theft and Data Privacy; Challenges in Transaction Monitoring and Methods to Mitigate; Trade Based Money Laundering; Leveraging Advanced Technologies for AML & KYC Compliance.

R. Lakshmi Kanth Rao, Executive Director, Reserve Bank of India delivered the keynote address. Jyoti Kumar Pandey, Senior Program Director, CAFRAL made the opening remarks while C. Sankaranarayanan, Senior Program Director, CAFRAL gave an overview of the program. Other speakers were Muralidharan R, Deputy General Manager, Department of Supervision, Reserve Bank of India; Vasud Torsekar, Jt. Director, FIU-India; Arti Sinha, Chief General Manager-in- Charge, Enforcement Department, Reserve Bank of India; Suveer Khanna, Partner, KPMG India; Umesh Kumar Singh, Central Registrar, MD & CEO, CERSAI; B. Meher Kumar, Legal Head, Bank of Baroda; S. Ramakrishna, Former General Manager & Principal Officer, State Bank of India; Charan Rawat, Head Compliance, Rabo Bank; Kunal Pande, National Co-Head – Digital Risk and Cyber, National Leader – Digital Trust Financial Services sector, KPMG India.

CAFRAL Virtual Conference of Chief Economists: Emerging Issues | July 30, 2024 | Online



Dr. Barendra Kumar Bhoi



Suvendu Pati



Dr. Ajit Ranade



Ajay Sirikonda



Dr Aditya Gaiha



Nitin Chugh



C. Sankaranarayanan

CAFRAL had organized a one-day virtual conference (VC) of Chief Economists: Emerging Issues, July 30, 2024

The conference provided Chief Economists and their team members opportunities to discuss the state of the Indian Economy and review global macro-economic developments. Apart from the risks posed by geopolitical developments and the challenges faced by the financial sector in facilitating a cleaner and a greener growth story, the virtual conference also discussed the globalization of rupee and the impact of fintech in the banking landscape.

Topics covered were Macroeconomic Prospects and Concerns; Managing Climate Change Risk & Sustainable Finance for Financial Stability; Central Bank Digital Currency: Macro Economic Policy Opportunities & Risks; Globalization of Rupee; Fintech & Changing Banking Landscape; The Indian Economy: Opportunities and Challenges.

C. Sankaranarayanan, Senior Program Director, CAFRAL gave an overview of the program. Other speakers were Dr. Barendra Kumar Bhoi, Reserve Bank of India Chair Professor, Utkal University; Ajay Sirikonda, Partner, Leader- Financial Services Risk Management, Ernst &Young India; Suvendu Pati, Chief General Manager, FinTech Department, Reserve Bank of India; Dr Aditya Gaiha; Chief General Manager-in-charge, Foreign Exchange Department, Reserve Bank of India; Nitin Chugh, DMD & Head - Digital Banking & Transformation, State Bank of India; Dr. Ajit Ranade; Vice Chancellor, Gokhale Institute of Politics and Economics.

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:

“Impairment of Monetary Policy Independence by Global Financial Cycles and the Mitigating Role of Macroprudential Policies” by Dr. Amlendu Dubey, Indian Institute of Technology, Delhi on June 20, 2024

Abstract: In this paper, we study the impairment in monetary policy caused by different forms of global financial cycles. We find that while both equity inflows and outflows cycles do exert influence over monetary policy, the bond inflows cycle does not have a significant impact. Further, we discuss the role of macroprudential policies in mitigating this impairment by using Difference-in-Difference with heterogeneous treatment effects which is robust to presence of heterogeneity across both time periods and groups. We find that FX based policies such as Capital Restrictions on Foreign Exchange positions and Limits on Foreign Exposure alongside SIFIs and Loan Loss Provisioning are effective in reducing the impairment.

Upcoming CAFRAL Research Seminars

- Dr. Ashwini Deshpande, Professor at the Department of Economics at the Ashoka University on 14th August, 2024

Upcoming Research Conference

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

CAFRAL invites submissions for its fifth Annual Conference on the Financial system and Macroeconomy in Emerging Economies.

DATES: The conference will be held in Mumbai, India on December 12-13, 2024.

KEYNOTE SPEAKERS: 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.

TOPICS OF INTEREST: We invite completed working papers on macroeconomics and finance, preferably with a focus on emerging economies. Papers addressing the theme of the conference in the context of specific countries, especially India, would also be very welcome. We will consider papers on other topics as well.

PAPER SELECTION: We aim to have about ten papers in the program. Each paper will be assigned a formal discussant. The deadline for submission of papers is August 15, 2024. We hope to have the decisions finalized by August 31, 2024. Please submit your papers to macrofinconf@cafral.org.in

FUNDING: The conference will provide round-trip air fare for presenters and discussants as well as pay for their local expenses (including hotel). Participants who receive funding are expected to stay for the full duration of the conference.

PROGRAM COMMITTEE: The papers will be reviewed by a Program Committee chaired by Nirupama Kulkarni (CAFRAL). Committee members:

Nirupama Kulkarni, CAFRAL
Gautham Udupa, CAFRAL
Kaushalendra Kishore, CAFRAL
Yogeshwar Bharat, CAFRAL
Nirvana Mitra, CAFRAL
Vidhya Soundararajan, CAFRAL
Sankalp Mathur, CAFRAL
Sanjay Singh, FRBSF and UC Davis
Saroj Bhattarai, UT Austin

We warmly welcome researchers, faculty members and doctoral students from India and outside to attend the conference without any charge. 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 above email address by November 15, 2024.

Participants' Profile

Academic researchers in economics, finance, and related areas. Economists at policy making institutions, financial institutions, and regulatory organizations. Bankers and Central Bankers

Upcoming Learning Programs

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

Background:

The Board of Directors (BoD) is responsible for effective governance of Banks, Financial Institutions (FIs) and NBFCs. While ensuring a strategic oversight on assurance functions, the board should also be abreast of evolving changes in the business environment. It should also be able to identify emerging risks, besides addressing control and process issues that would enhance its function and credibility. Board members need to have an independent and objective perspective, while also fully understanding their roles and responsibilities. The BOD is responsible to ensure that the processes & controls are in sync with business strategies of the organization, sound risk management practices supplemented with appropriate reporting standards. BOD as members of various committees should have a good grasp of the various aspects relating to the objective and functioning of the respective committee, besides performing as a team accommodating the divergent views. As financial sector is IT intensive, board members should be aware of the use of advanced technologies and emerging risks associated including cyber risk, data privacy and regulatory developments in the sector.

Objective:

It is thus crucial for Banks, FIs and NBFCs at the Board level to have the necessary technical competencies, the ability to devise relevant strategies fully compliant with the extant legal framework and supervisory expectations and be mindful of governance standards. This program seeks to enhance board effectiveness through policy and practical aspects of Board Governance and

functioning. It would offer opportunities to interact with regulators and industry leaders on challenges and remedial measures on Governance and Assurance issues.

Participants' Profile

Non-Executive Chairperson and Directors on the Boards of Banks, NBFCs & Financial Institutions

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

Background:

Financial frauds, besides financial loss implications, evoke reputational and systemic concerns. Increasing incidences of financial frauds in the loan portfolio of banks, both in terms of number and value, have been a major concern. Also, an analysis of the vintage of frauds reported during 2022-23 and 2023-24 shows a significant time-lag between the date of occurrence of a fraud and its detection. Needless to say, financial frauds cause loss not only to the financial institutions but to individuals, businesses and the society at large. In the rapidly changing banking landscape which has seen increasing volumes and quicker processing of digital payments; fraudsters are creatively finding new ways to steal from banks and their customers. Financial frauds also render the security and control systems inadequate, besides putting a question mark on the ability of an institution to maintain the requisite standards to prevent money laundering and fraudulent transactions. It also necessitates a robust forensic audit in financial institutions that would enable evaluation and examination of the financial records that would generate adequate clarity and proof that can be even used as evidence in the court of law.

Objective:

The program aims to update senior executives of the financial sector on the major policy initiatives and measures taken by the regulators and other stakeholders. It also aims 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 reiterates 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.

Participants' Profile

Senior officials working in the areas of Fraud Monitoring, Vigilance, Operational Risk Management, Fraud Risk Management, Financial Crime Risk Management, Enterprise Risk Management, Internal Audit and Compliance in Banks, Financial Institutions and NBFCs.

[Nominate Now](#)

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

Background:

Financial intermediaries are facing an increasingly complex risk landscape due to various factors including geopolitical, volatile market conditions, mounting compliance and technological changes and digitalization. Risk Management in banks and financial institutions have seen repeated failures despite adoption of sophisticated approaches for risk management, increasing regulatory oversight and with intensive use of technology. Assurance functions including risk management, compliance and audit play a very crucial role in ensuring that the regulated entity operates soundly, safely, ethically and within the legal and regulatory boundaries. Risk Management in any institution becomes more effective, when a risk culture and governance is embedded in the risk management framework. Today's risk leaders need to align the risk strategy to the growth strategy and enhance overall trust and resilience. Accordingly, at the leadership level in Banks and other financial institutions there is an imperative need to understand the importance of a robust modern risk function for the institution's health and future.

Objective:

This conference would provide 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.

Participants' Profile

Chief Risk Officers, Heads of Risk Management Departments, Head of ERM, Senior Officials in Risk Management Department of Banks, NBFCs & FIs.

[Nominate Now](#)

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

Background:

Credit risk management is a crucial facet of financial institutions' operations. Amid persistent operational complexities, financial institutions need to urgently revisit their approaches to credit risk management. There has been considerable attention placed in recent years regarding the use of models in financial institutions to manage business risks and operations using better data analytics. The advent of technology and digital lending has brought new set of risks in a lenders portfolio. As the financial market continues to evolve, institutions are challenged to strike a balance between innovation and risk mitigation, fostering an environment where lending can be extended efficiently while maintaining robust credit risk management practices. The regulators are also not averse to innovation and use of advanced technologies, but that needs to be well thought out, risks properly analyzed, and mitigation plans put in place. Though there had been perceptible improvement in the credit quality and

credit underwriting standards in the Regulated Entities (REs), to ensure maintenance of high credit quality, the REs need to constantly review their credit risk management policy and underwriting processes/practices.

Objective:

This two-day program seeks 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 will also provide a platform for peer level discussion and interaction with stakeholders.

Participants' Profile

Senior officials who are involved with credit, recovery/stressed assets and risk management functions of Banks/NBFCs/FIs.

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CAFRAL Advanced Leadership Program (CALP). In collaboration with McDonough School of Business, Georgetown University, Washington DC, USA | Indian leg – October 04 - 05, 2024 - Non-residential, Mumbai | Overseas leg – October 07 - 11, 2024 – Residential, McDonough School of Business (MSB), Georgetown University (GU), Washington DC, USA.

Background:

The Indian financial service sector reflects the opportunities and progress of the Indian economy. Policy makers focusing on financial inclusion and rapid digital adoption have provided the necessary impetus for enhanced financial services and have facilitated the ease of doing business and financial transactions. However, the growth of the ecosystem is not immune to vagaries and dynamics of global processes and systems. It thus becomes very imperative to facilitate the present and the future leaders of the financial sector in India to interact with international experts, global professionals and other regulators enabling them to develop a holistic view of the issues being faced by the sector. This would enable them to gear up to meet the future and emerging challenges with adequate insight and perspective.

Objective:

The outbound program would provide an opportunity to the participants to interact with top researchers and academicians besides interact with institutions which have been at the forefront of developing advanced concepts & policy formulation in the ever-changing financial world. While the participants would enhance their soft skills by getting exposed to professionals from a different cultural ethos, it would also enable them to appreciate alternate and emerging concepts in the financial world. It would also provide the participants networking opportunities amongst themselves and with other professionals. The CALP aims to provide world class inputs including emerging financial and technological concepts, soft skills and networking opportunities all at one global place of learning.

Participants' Profile

Senior and top management functionaries at the level of General Manager or equivalent and above including EDs, DMDs, MDs as also Non – Executive / Independent / Nominee Directors of banks, financial institutions and regulatory institutions.

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