

Centre for Advanced Financial Research and Learning

NEWSLETTER

February – March 2026

www.cafral.org.in



8th Floor, Reserve Bank of India
(RBI) Building, C-8, Bandra Kurla
Complex Rd, Mumbai,
Maharashtra 400051



RESEARCH HIGHLIGHTS

Policy Article:

‘One Policy, Two Paths: What India’s R&D Tax Credits Really Did’,
by Dr. Sankalp Mathur, in Policy Edge, Mar 9th, 2026

“India’s Digital Divide is Now a Capability Gap”,
by Dr. Shreya Bhattacharya and Bishmay Barik, in Policy Edge, Mar
19, 2026

Conference/Seminar Presentation:

- “R&D Tax Credits: Product Quality vs Scope”, Dr. Sankalp Mathur, Economics Seminar Series, Indian Institute of Management (IIM), Bangalore, Feb 26, 2026
- “Job Amenities and Misallocation of Talent”, Dr. Natasha Jha, Weekly Seminar Series, Department of Economics, Ashoka University, Mar 18, 2026

Conference/Seminar Presentation:

- “Should banks’ regulatory capital reflect unrealized capital gains and losses? A quantitative assessment,” Dr. Vedant Agarwal, Macroeconomics Workshop, Indian Institute of Management (IIM) Bangalore, March 14, 2026
- “Optimal deposit insurance in a macroeconomic model with runs,” Dr. Vedant Agarwal, Single Resolution Board (SRB) Young Researchers Workshop, SRB Economic Conference 2026: Evolutions in Bank Resolution: Learnings from the past and looking to the future, Brussels Belgium, March 18–19, 2026

Visiting Scholar

- B Ravikumar, Economist, Federal Reserve Bank of St Louis, February 9–18, 2026

LEARNING HIGHLIGHTS

- Program on Developments in Financial Market: Trends & Challenges | **February 3, 2026**
- Financial Sector Leadership Development Program | **February 9–13, 2026**
- Training Program for the Directors of Canara HSBC Life Insurance | **February 23–24, 2026**
- Virtual Program on FinTech and Advanced Technologies in Financial Intermediation | **March 6, 2026**
- Virtual Program on Know Your Customer and Anti-Money Laundering for Board of Directors of Banks, NBFCs and FIs | **March 9, 2026**
- Virtual Program for Internal Auditors | **March 12, 2026**
- Virtual Program on Governance and Assurance for Directors | **March 18, 2026**

Program on Developments in Financial Market: Trends & Challenges

CAFRAL organized a one-day Program on Developments in Financial Market: Trends & Challenges on February 03, 2026. Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, provided a brief overview of the program, highlighting the importance of evolving financial market dynamics in the context of global uncertainties, market volatility, and regulatory developments.



In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, emphasised the increasing interconnectedness of financial markets and the need for banks and financial institutions to continuously recalibrate their strategies, governance frameworks, and risk management practices to remain resilient in a rapidly changing macro-financial environment.

Ms. Dimple Bhandia, Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India, delivered the keynote address on "Navigating Geo-economic Fragmentation and Regulatory Expectations", highlighting the implications of global geo-economic fragmentation for financial markets and the evolving regulatory expectations from regulated entities. She underscored the importance of prudent risk management, market discipline, and regulatory preparedness in navigating external shocks and market uncertainties.

The program covered a wide spectrum of themes critical to financial market participants. Key deliberations included strategies for Asset-Liability Management (ALM) in the face of margin pressures and market volatility; the evolving liquidity dynamics arising from shifts between CASA growth and financialisation of the economy; and the role of digital innovations amid regulatory shifts in unlocking strategic advantages for banks and NBFCs. The sessions also examined opportunities emerging from the IFSCA and GIFT City ecosystem and deliberated on managing currency volatility and asset quality risks in an increasingly volatile global environment.

The program concluded with closing remarks by Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, who thanked the speakers and participants for the rich discussions and active engagement. He noted that the insights shared during the program would enable participants to better anticipate market risks, strengthen strategic responses, and enhance institutional preparedness in navigating evolving financial market challenges.



Financial Sector Leadership Development Program

CAFRAL conducted a five-day Financial Sector Leadership Development Program from February 09-13, 2026 in association with Kautilya Leadership Centre. This program was conducted at L&T Leadership Development Academy. The program overview was presented by Shri C. Sankaranarayanan, Senior Program Director, outlining the structure and key areas of discussion for the coming days.



The five-day program commenced with a Keynote Address on "Current Macro & Global Environment and the Indian Economy" delivered by Prof. Partha Ray, Director, National Institute of Bank Management, who provided a comprehensive overview of global macroeconomic trends and their implications for India. This was followed by a session on "Leadership is a Living Experience – Shaping Organisation Culture" by Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, setting the tone for reflective and experiential leadership learning.



The subsequent sessions, delivered by facilitators from Kautilya Leadership Centre, explored critical leadership dimensions including “A New Lens to Leadership” and the multi-part deep dives on “Decoding Thinking Orientation for Building Agility,” enabling participants to understand cognitive styles and adaptability in dynamic environments. “Crafting Strategy Which is Agile” and “Making Agile Decisions,” were discussed with the help of some activities which helped in equipping participants to align risk, ambition, and strategic execution. The pre-dinner address on “Banking in Future: Governance & Leadership Challenges” was delivered by Shri V. Vaidyanathan, MD & CEO, IDFC First Bank, who shared practical insights on future-ready governance. The program continued with Kautilya Leadership Centre’s sessions on “Impact of Growth Mindset on Leading Change” and “Coaching & Feedback to Nurture Teams,” reinforcing behavioural and developmental leadership capabilities. The pre-dinner session on “Evolving Nature of Leadership in the Current Technology Driven Environment” was delivered by Cdr. S. Parthiban, Commanding Officer, INS Shivaji, offering a defence leadership perspective. The final day featured a Special Address on “Dilemmas in Decision Making” by Shri P. Vasudevan, Executive Director, Reserve Bank of India & Director, CAFRAL, followed by sessions by Kautilya Leadership Centre on “Making Strategic Choices” and “Operationalizing Strategy to Deliver Performance,” thereby bringing the program to a close with a strong focus on translating strategic intent into measurable outcomes.

The five-day program culminated with a thanks delivered by Shri C. Sankaranarayanan, Senior Program Director, CAFRAL and Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, who conveyed their deep appreciation to the distinguished speakers for generously sharing their expertise and insights, and to the participants from banks and financial institutions for their consistent engagement, thoughtful reflections, and enthusiastic participation throughout the program. They acknowledged that their active involvement over the five days significantly enriched the deliberations and contributed to making the program both impactful and meaningful.

Training Program for the Directors of Canara HSBC Life Insurance

CAFRAL organized a two-day Training Program for the Directors and Senior Executives of Canara HSBC Life Insurance on February 23–24, 2026. Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, provided a brief overview of the program, highlighting the importance of strengthening board-level oversight and leadership capabilities to address the emerging regulatory, business, and technological challenges in the life insurance sector.





In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, emphasised the growing complexity of the life insurance ecosystem and the need for Boards and senior leadership to reinforce governance frameworks, risk oversight, and strategic agility to navigate heightened regulatory expectations and evolving market dynamics. Shri Arijit Basu, Chairman, IndusInd Bank and Former MD & CEO, SBI Life Insurance Company Ltd., delivered the keynote address on “Navigating the New Frontiers in the Life Insurance Sector”, outlining key strategic priorities for insurers in a rapidly transforming business environment. He highlighted the importance of leadership vision, customer-centricity, and prudent risk management in sustaining long-term growth in the sector. The program covered a wide spectrum of themes critical to Board members and senior executives in the life insurance sector. Key deliberations included the importance of capital adequacy and solvency for institutional stability; corporate governance, risk management, and the evolving role of Boards and top management; and reinsurance and insurance risk management in strengthening balance sheet resilience. The sessions also explored the role of InsurTech in enhancing customer service and consumer protection, financial oversight and performance evaluation from an investor perspective, leadership and succession planning in a disruptive environment, and the implications of the DPDP Rules, 2025 for the insurance sector. Further discussions examined operational risk management for lasting value creation, the impact of climate change on the life insurance sector and the role of insurers in supporting climate action, as well as regulatory expectations relating to claims management and grievance redressal.

The program concluded with closing remarks by Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, who expressed his appreciation to the speakers and participants for their insightful contributions and active participation over the two days. He noted that the discussions would enable Directors and senior executives to further strengthen governance practices, risk oversight, and strategic decision-making in an increasingly complex and evolving life insurance landscape.

Virtual Program on FinTech and Advanced Technologies in Financial Intermediation

CAFRAL organised a one-day Virtual Program on FinTech and Advanced Technologies in Financial Intermediation on March 06, 2026, conducted via Cisco WebEx.

Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, provided an overview of the program, setting the context for the growing significance of FinTech and advanced technologies in reshaping financial intermediation. In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, highlighted the transformative impact of digital innovation and the need for financial institutions to adapt to evolving technological and regulatory landscapes.

The keynote address was delivered by Shri Suvendu Pati, Chief General Manager, FinTech Department, Reserve Bank of India, on “Re-imagining Financial Intermediation through FinTech – Regulatory Expectations”. In his address, he highlighted the transformative potential of FinTech in reshaping traditional financial intermediation, while emphasising that innovation must be anchored within a robust regulatory framework. He elaborated on the evolving regulatory expectations from financial institutions and FinTech entities, particularly in areas such as governance, risk management, data privacy.

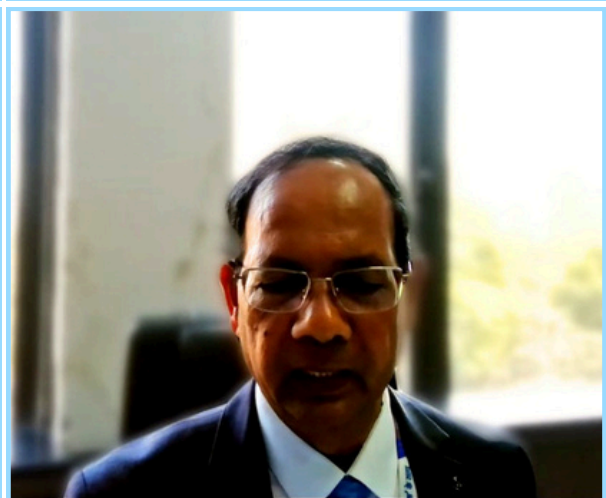
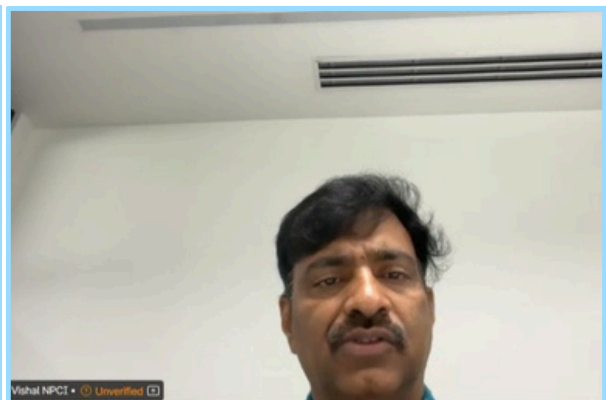
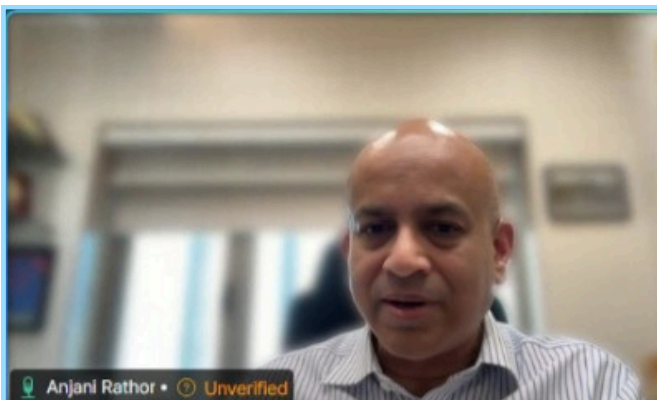


The program covered a wide range of contemporary themes central to the FinTech ecosystem. Shri Ankur Singh, Assistant General Manager, FinTech Department, Reserve Bank of India, provided insights into the latest developments in the FinTech ecosystem, highlighting emerging trends, regulatory developments, and the evolving role of FinTech in financial intermediation. Shri Vishal Kanvaty, Chief Technology Officer, National Payments Corporation of India, delivered a session on Digital Public Infrastructure, emphasising its transformative role in fostering innovation, enhancing interoperability, and enabling scalable financial services.

Shri Sumanta Panda, General Manager (Transaction Banking), State Bank of India, discussed strategies for expanding and deepening financial inclusion through FinTech, underlining the importance of technology-led solutions in improving access, affordability, and customer outreach. Shri BVS Saikrishna, Founder & CEO, Divsight Intelligence Private Limited & Pinaca Technologies, deliberated on leveraging FinTech and advanced technologies for efficient financial services, focusing on the integration of data, analytics, and intelligent systems to drive operational efficiency and customer-centricity.

Shri Parikshit Dubey, Partner, KPMG India, spoke on the use of AI/ML for prevention of frauds and cyber-attacks, highlighting emerging risks in the digital ecosystem and the critical role of advanced analytics in strengthening fraud detection and cybersecurity frameworks. Shri Anjani Rathor, Group Head – Digital Banking, HDFC Bank, shared perspectives on digital lending – the journey so far and the road ahead, discussing regulatory evolution, business model transformations, and the future trajectory of digital credit delivery in India.

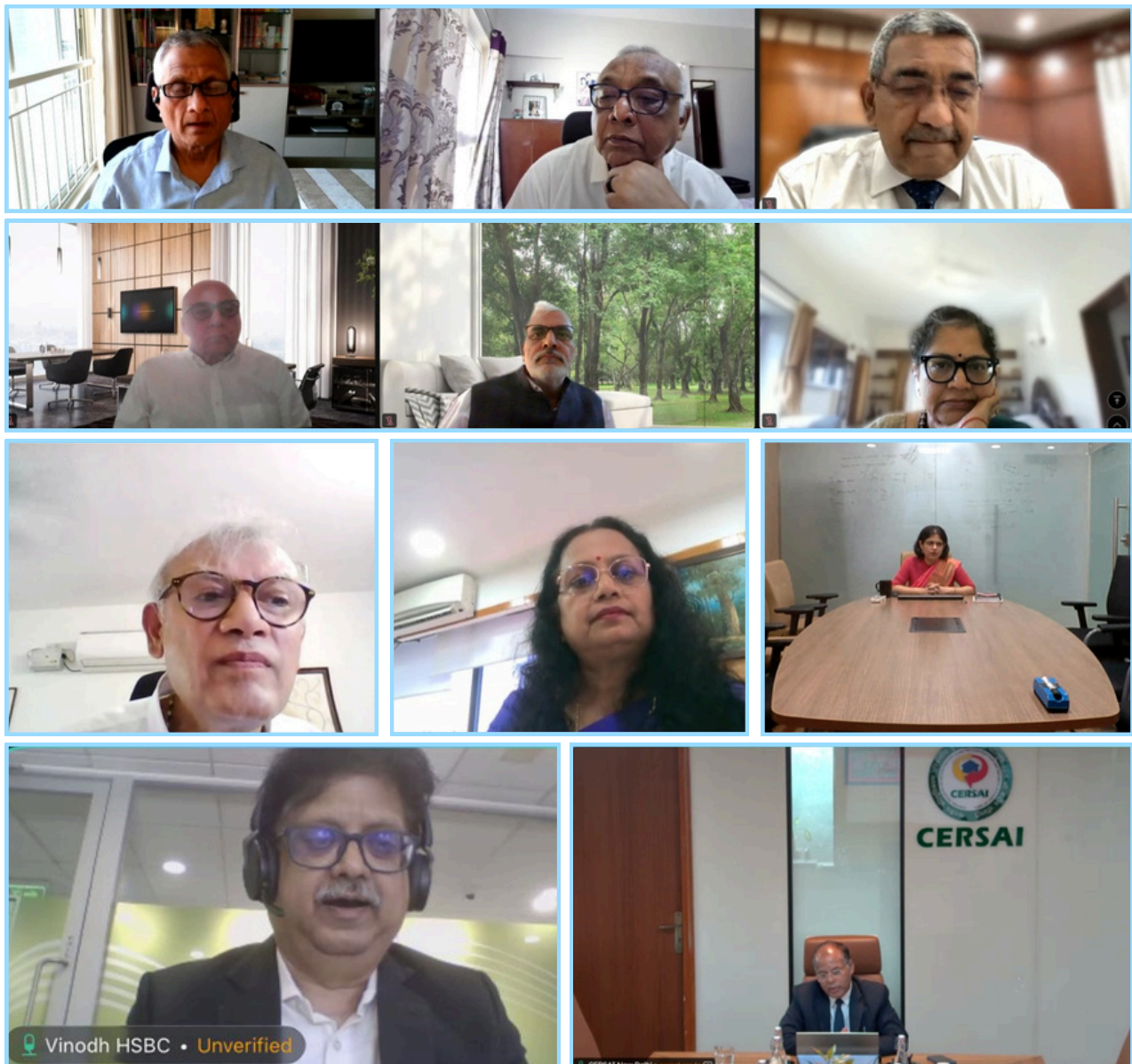
The program concluded with closing remarks by Shri Kamal P. Patnaik, who thanked the speakers and participants for their valuable insights and active engagement. He noted that the discussions would help participants to better understand emerging technological trends, strengthen innovation strategies, and enhance resilience in an increasingly digital financial ecosystem.



Virtual Program on Know Your Customer and Anti-Money Laundering for Board of Directors of Banks, NBFCs and FIs

CAFRAL organised a one-day Virtual Program on Know Your Customer (KYC) and Anti-Money Laundering (AML) for Board of Directors of Banks, NBFCs and FIs on March 09, 2026, conducted via Cisco WebEx.

Shri C. Sankaranarayanan, Senior Program Director, CAFRAL, provided an overview of the program, highlighting the critical importance of robust KYC and AML frameworks in safeguarding financial institutions against evolving financial crime risks. The program was designed to sensitise Board members on emerging regulatory expectations, supervisory perspectives, and strategic approaches to strengthening compliance and governance standards.



The program covered a wide spectrum of themes central to KYC and AML compliance. Smt. Veena Srivastava, Chief General Manager, Department of Regulation, Reserve Bank of India, delivered a session on KYC & AML risk management, highlighting emerging regulatory and compliance issues and the need for institutions to continuously strengthen their control frameworks. Smt. Puspamitra Sahu, Chief General Manager, Department of Supervision, Reserve Bank of India, shared supervisory observations on KYC & AML compliance, drawing from use cases to emphasise common gaps and areas requiring enhanced oversight.

Shri Vinodhkumar Parameswaran, Head – Financial Crime, The Hongkong and Shanghai Banking Corporation Limited, India, discussed KYC & AML frameworks, risks and strategies, supported by case studies of recent frauds, underscoring the importance of proactive risk identification and mitigation. Ms. Ashima Batra, Additional Director, Financial Intelligence Unit – India, provided the FIU perspective on combatting financial crime, highlighting the role of intelligence, reporting frameworks, and inter-agency coordination.

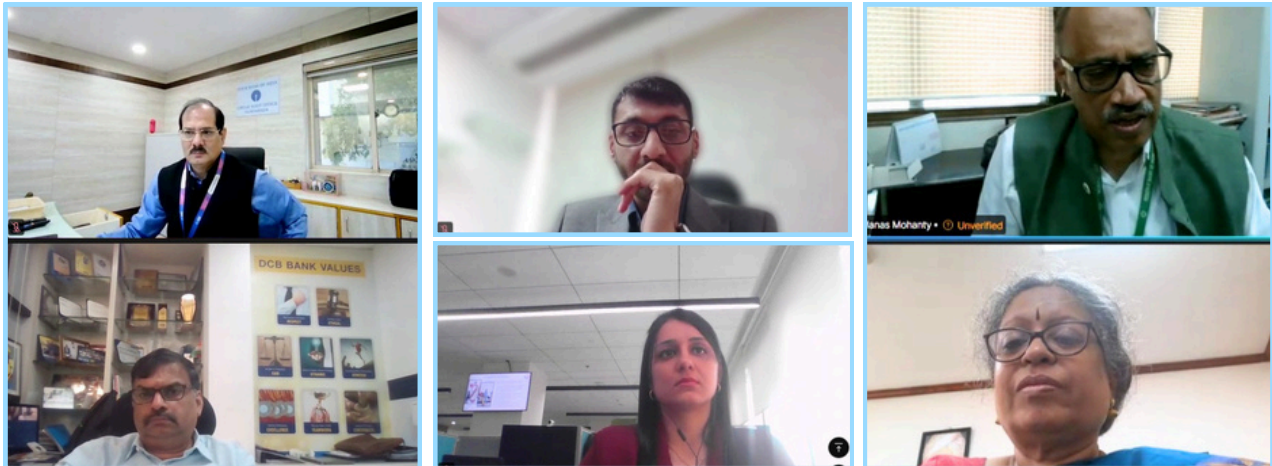
Shri Umesh Kumar Singh, MD & CEO, CERSAI, spoke on the Central KYC Registry and compliance by regulated entities, emphasising roles, responsibilities, and the importance of data integrity and standardisation. Shri K. V. Karthik, Partner and Leader – Forensic & Financial Crime, Deloitte India, delivered a session on trade-based money laundering (TBML), highlighting emerging typologies and the need for strengthened monitoring and investigative capabilities.

The program concluded with closing remarks by Shri C. Sankaranarayanan, who thanked the speakers and participants for their valuable insights and active engagement. He noted that the deliberations would help Board members enhance their oversight, strengthen institutional frameworks, and build resilience against evolving financial crime risks.



Virtual Program for Internal Auditors

CAFRAL conducted a Virtual Program for Internal Auditors on March 12, 2026. The program overview was presented by Shri C. Sankaranarayanan, Senior Program Director, outlining the structure and key areas of discussion for the day.



The program featured a series of insightful sessions addressing key aspects of internal audit and its evolving role in the financial system. The day commenced with a session on the “Significance of Audit Functions in the Financial System and its New Challenges” delivered by Shri Debasis Patri, Chief General Manager, State Bank of India, who highlighted the critical importance of robust audit mechanisms amidst emerging complexities in the banking sector. This was followed by Shri Manish Kumar, Deputy General Manager, Department of Supervision, Reserve Bank of India, who spoke on “Risk Based Internal Audit of Banks – Common Supervisory Observations and Concerns”, providing valuable supervisory perspectives and key areas of concern. Shri Chinnasamy Ganesan, Founder & CEO, M/s Chinnasamy Ganesan and Co., then deliberated on “Internal Audit Function, Audit Committee of the Board and Reporting to Board: Best Practices”, emphasizing governance standards and effective reporting frameworks. Dr. Vijay Singh Shekhawat, Chief General Manager, Department of Supervision, Reserve Bank of India, delivered a session on the “Use of Advanced Technology in Audit”, focusing on the growing relevance of technology-driven audit tools. Subsequently, Shri Pradeep Raj Singh, General Manager, Department of Supervision, Reserve Bank of India, discussed “IT & Outsourcing Audit: Key Aspects and Common Observations”, shedding light on critical risks and regulatory expectations. The session on “Usage of Concurrent Audit in Internal Audit” and “Spot Audit & Frauds Investigation” was taken by Shri C. Sankaranarayanan, Senior Program Director, CAFRAL, who provided practical insights into strengthening audit effectiveness.

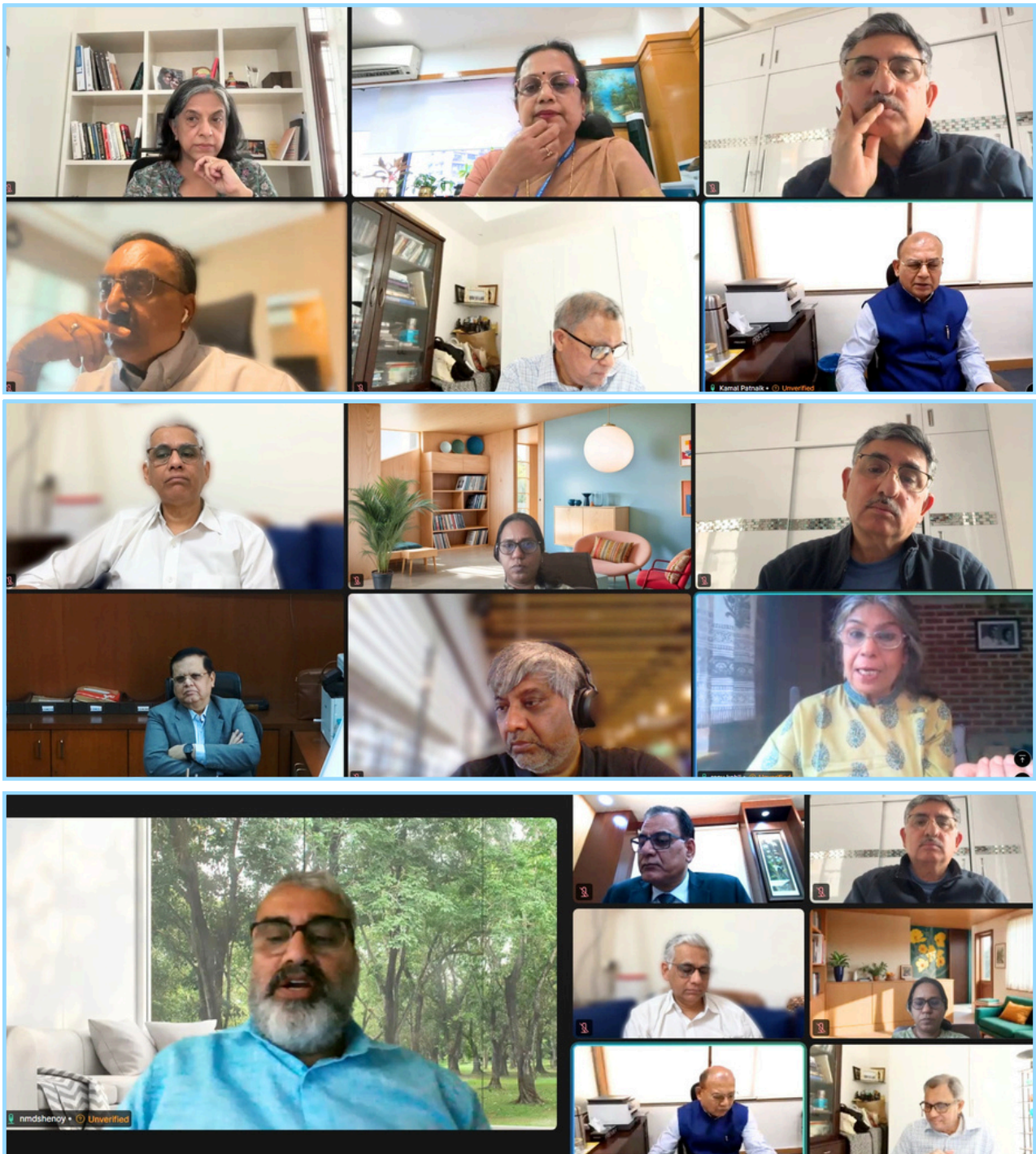
The program concluded with an interactive experience-sharing session by Shri C. Sankaranarayanan, enabling participants to reflect on key learnings and exchange perspectives.

Virtual Program on Governance and Assurance for Directors

CAFRAL conducted a Virtual Program on Governance and Assurance for Directors of Banks, FIs and NBFCs on March 18, 2026. The program overview was presented by Shri Kamal P. Patnaik, Senior Program Director, outlining the structure and key areas of discussion for the day.



The programme featured a series of insightful sessions focusing on governance, regulatory expectations, and risk management in regulated entities. The day commenced with a keynote address on “Impact of Global Disruptions in the Functioning and Governance of Regulated Entities (REs): Regulatory Expectations,” delivered by Shri R. Lakshmi Kanth Rao, Executive Director, Reserve Bank of India, who highlighted the evolving regulatory landscape in light of global uncertainties. This was followed by a session on “Responsible Business Conduct – Regulatory Perspective” by Smt. Veena Srivastava, Chief General Manager, Department of Regulation, Reserve Bank of India, who emphasized the importance of ethical and compliant business practices. Smt. Puspamitra Sahu, Chief General Manager, Department of Supervision, Reserve Bank of India, then addressed “KYC/AML Issues: Supervisory Concerns and the Role of the Board,” outlining key supervisory concerns and the critical role of the Board in ensuring robust compliance frameworks. Dr. K. Balu, Former Regional Director and Former Head of the Fraud Monitoring Cell, Reserve Bank of India, delivered a session on “Strengthening Internal Control Framework & Effectiveness of Assurance Function,” focusing on enhancing internal controls and assurance mechanisms. This was followed by Shri Nanda Mohan Shenoy, Past President, ISACA Mumbai Chapter and Director, Bestfit Business Solutions Pvt. Ltd., who spoke on “Technology and Cyber Risk: The Role of the Board and Board-Level Committees in Risk Anticipation & Mitigation,” highlighting the growing importance of cyber risk governance. Subsequently, Shri Mohan Subramoniasarma, Head – Operational and Outsourcing Risk, ICICI Bank, delivered a session on “Board and Top Management’s Responsibility in Ensuring Operational Resilience – 24/7/365,” emphasizing continuous preparedness and resilience in operations.



The program concluded with a wrap-up and feedback session conducted by Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, providing participants an opportunity to reflect on key takeaways and share their feedback.