

# Annual Report 2024-25

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## Promoting Excellence in Research and Learning



**CAFRAL**  
CENTRE FOR ADVANCED FINANCIAL  
RESEARCH AND LEARNING  
Promoted by Reserve Bank of India



# CAFRAL Governing Council



**Shri Sanjay Malhotra**  
Chairman, GC & Governor,  
Reserve Bank of India



**Shri Swaminathan Janakiraman**  
Deputy Governor,  
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**Dr. Poonam Gupta**  
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**Dr. Ravindra H. Dholakia**  
Director, Central Board of RBI



**Dr. Pami Dua**  
Senior Professor  
of Economics and  
Former Director, Delhi  
School of Economics



**Prof. Partha Ray**  
Director, National  
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Management (NIBM)



**Dr. Sajjid Z. Chinoy**  
Managing Director and Chief  
India Economist, J.P. Morgan



**Prof N. R. Bhanumurthy**  
Director, Madras  
School of Economics,  
Chennai.



**Shri Eugene Emmanuel Karthak**  
Director, Indian Institute of  
Bank Management (IIBM)



**Dr. Rajiv Ranjan \***  
Director, CAFRAL

\* Dr. Rajiv Ranjan, Director, CAFRAL demitted office on September 4, 2025.

The background features a stylized city skyline in shades of blue and grey. Overlaid on this are two human profiles facing each other, rendered with fine, concentric lines in light blue and yellow. The overall aesthetic is modern and architectural.

## **COMMITTEES**

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**Dr. Poonam Gupta**  
Deputy Governor,  
Reserve Bank of India



**Dr. Ravindra H. Dholakia**  
Director, Central Board of RBI



**Dr. Rajiv Ranjan \***  
(Convenor)  
Director, CAFRAL

\* Dr. Rajiv Ranjan, Director, CAFRAL demitted office on September 4, 2025

# Finance Advisory Committee



**Prof. Partha Ray**  
(Chairperson, FAC)  
Director, National  
Institute of Bank  
Management (NIBM)



**Prof N. R.  
Bhanumurthy**  
Director, Madras  
School of Economics,  
Chennai.



**Shri Eugene Emmanuel  
Karthak**  
Director, Indian Institute of  
Bank Management (IIBM)



**Dr. Rajiv Ranjan** \*  
Director, CAFRAL



**Smt. Sudha  
Balakrishnan**  
Chief Financial Officer,  
Reserve Bank of India



**Shri Rajesh  
Kumar Moria**  
Chief General  
Manager, CSBD,  
Reserve Bank of India

\* Dr. Rajiv Ranjan, Director, CAFRAL demitted office on September 4, 2025

# Learning Advisory Committee



**Dr. Pami Dua**  
(Chairperson, LAC)  
Senior Professor  
of Economics and  
Former Director, Delhi  
School of Economics



**Prof. Partha Ray**  
Director, National  
Institute of Bank  
Management (NIBM)



**Shri Manas Ranjan  
Mohanty**  
Additional Director  
(Learning and Administration)



**Shri C.  
Sankaranarayanan**  
Senior Program Director



**Smt. Sunita S.  
Ratanpal**  
(Secretary Member)  
Chief Administrative  
Officer



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# About CAFRAL

The Centre for Advanced Financial Research and Learning (CAFRAL) is an independent body 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.

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

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

# Abbreviations

|        |  |       |   |
|--------|--|-------|---|
| AI     | Artificial Intelligence  | NBER  | National Bureau of Economic Research          |
| ALM    | Asset Liability Management   | NBFC  | Non-Banking Financial Company                 |
| AML    | Anti-Money Laundering  | NCAER | National Council of Applied Economic Research |
| API    | Application Programming Interface  | NDF   | Non-Deliverable Forward                       |
| ATs    | Advanced Technologies  | NIBM  | National Institute of Bank Management         |
| CAFRAL | Centre for Advanced Financial Research And Learning                                    | NPA   | Non-Performing Asset                          |
| CALP   | CAFRAL Advanced Learning Program   | NSE   | National Stock Exchange                       |
| CBI    | Central Bureau of Investigation  | NYU   | New York University                           |
| CBDC   | Central Bank Digital Currency  | OIS   | Overnight Index Swap                          |
| CCO    | Chief Compliance Officer   | POSH  | Prevention of Sexual Harassment               |
| CEMFI  | Center for Monetary and Financial Studies  | PMLA  | Prevention of Money Laundering Act            |
| CERSAI | Central Registry of Securitisation Asset Reconstruction and Security Interest of India | PSO   | Payment System Operator                       |
| CFO    | Chief Financial Officer  | RBAI  | Risk-Based Internal Audit                     |
| CFT    | Countering the Financing of Terrorism  | RBI   | Reserve Bank of India                         |
| CGST   | Central Goods and Services Tax   | REs   | Regulated Entities                            |
| CHRO   | Chief Human Resources Officer  | REROC | Risk-Adjusted Return on Capital               |
| CKYC   | Central Know Your Customer   | SAs   | Standards on Auditing                         |
| CRO    | Chief Risk Officer   | SEBI  | Securities and Exchange Board of India        |
| CLO    | Chief Learning Officer   | SOE   | State-Owned Enterprises                       |
| CEMFI  | Center for Monetary and Financial Studies  | TBML  | Trade Based Money Laundering                  |
| DEPR   | Department of Economic and Policy Research   | V-CIP | Video based Customer Identification Process   |
| DL     | Digital Lending  | VC    | Virtual Conference                            |
| DoR    | Department of Regulation   | VP    | Virtual Program                               |
| DoS    | Department of Supervision  | UC    | University of California                      |
| DPDP   | Digital Personal Data Protection   | UPI   | Unified Payments Interface                    |
| DSE    | Delhi School of Economics  | ULI   | Unified Lending Infrastructure                |
| ECL    | Expected Credit Loss   | US    | United State                                  |
| ESG    | Environmental, Social, and Governance  | WDV   | Written Down Value                            |
| EMI    | Equated Monthly Installments   |       |   |
| EPL    | Employment Protection Legislations   |       |   |
| EWS    | Early Warning System   |       |   |
| FAC    | Finance Advisory Committee   |       |   |
| FDEC   | Faculty Development and Evaluation Committee   |       |   |
| FEMA   | Foreign Exchange Management Act  |       |   |
| FI     | Financial Institution  |       |   |
| FIU    | Financial Intelligence Unit  |       |   |
| GC     | Governing Council  |       |   |
| GRC    | Governance, Risk, and Compliance   |       |   |
| GU     | Georgetown University  |       |   |
| GoI    | Government of India  |       |   |
| GST    | Goods Service Tax  |       |   |
| HFCs   | Housing Finance Companies  |       |   |
| HR     | Human Resource   |       |   |
| ICAI   | Institute of Chartered Accountants of India  |       |   |
| IDs    | Independent Directors  |       |   |
| IGIDR  | Indira Gandhi Institute of Development Research  |       |   |
| IIM    | Indian Institute of Management   |       |   |
| IIT    | Indian Institutes of Technology  |       |   |
| IMF    | International Monetary Fund  |       |   |
| IOs    | Internal Ombudsmen   |       |   |
| ISB    | Indian School of Business  |       |   |
| ISI    | Indian Statistical Institute   |       |   |
| KYC    | Know Your Costumer   |       |   |
| LAC    | Learning Advisory Committee  |       |   |
| MSB    | McDonough School of Busines  |       |   |
| ML     | Machine Learning   |       |   |



**DIRECTOR'S  
REPORT  
2024-25**

# Director's Report



It gives me a great pleasure to present the Annual Report for the financial year 2024-2025. This year has marked significant progress in innovation and engagement, as we continued to deliver on our mandate of becoming a centre of excellence for cutting-edge research that bridges the gap between theory and practice, providing valuable insights for policymakers, practitioners, and researchers alike. CAFRAL also contribute to enhancing the knowledge, skills, and perspectives of senior executives of banks, financial institutions, NBFCs, and other stakeholders in the financial ecosystem.

In the last financial year, the Research Vertical at CAFRAL has made significant strides, with the publication of two papers in esteemed academic journals and five 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 Computational Economics and Finance Annual Conference in Singapore, the Society of Economic Dynamics Conference in Barcelona, Spain, European Winter Meetings of the Econometric Society, Palma de Mallorca, Spain, PacDev Conference in Los Angeles, as well as at numerous national conferences hosted by leading institutions. A notable achievement was the launch of the inaugural CAFRAL Research Economic Insights: Working Paper Series. Additionally, we organized 28 external seminars featuring distinguished scholars from top academic and policy institutions worldwide. The year also witnessed two highly successful conferences: the flagship annual conference and a collaborative workshop addressing The Impact of Digitisation on Households and Firms. These accomplishments underscore our commitment to advancing knowledge and fostering impactful discussions in the fields of economics and finance.

Our learning vertical conducted 34 programs for senior executives in the financial sector. CAFRAL's learning interventions have remained timely, relevant, and impactful. Through a carefully curated calendar of programs, we addressed critical areas such as Risk Management, Governance, Compliance, Treasury Operations, Cybersecurity, Sustainable Finance, Internal Audit, and Financial Inclusion. Iterations of role specific conferences for senior executives such as Chief Compliance Officer, Chief Financial Officer, Chief Risk Officers, Treasury Heads, Ombudsmen, Chief Economists, Company Secretaries, Chief Human Resource Officers (CHROs) and Chief Learning Officers (CLOs) were very well received by all participants.

To strengthen leadership thinking and capabilities amongst senior executives, our Advanced Leadership Program was conducted in association with Georgetown University, Washington D.C, in October 2024. This unique initiative offered participants the opportunity to gain rich cross-border perspectives on leadership, governance, and financial innovation.

As we look ahead, we will continue to evolve our programs, strengthen our strategic partnerships, and equip the leaders of the financial sector to navigate an increasingly dynamic and complex financial environment.

**Dr. Rajiv Ranjan**  
Director, CAFRAL

# CAFRAL Research

A list and abstracts of the paper with completed drafts for Fiscal Year 2024-2025 is attached in Annex I. Here, we provide a sample of research done at CAFRAL this year.

CAFRAL researchers published two papers in reputed academic journals like Journal of Economic Dynamics and Control and Journal of Corporate Finance. They released five 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. Gautham Udupa published a paper titled “Multinational entry and exit, technology transfer, and international business cycles” in the Journal of Economic Dynamics and Control. Dr. Nirupama Kulkarni and Dr. Kaushalendra Kishore published a paper titled “Zombie Lending due to Fear of Fire Sales” in the Journal of Corporate Finance. Dr. Sankalp Mathur published a chapter on “Visions for India in a Fragmented World Trade Order” in the book “India in 2050: Visions for a Superpower”.

## **Other Outreach Activities - Research Conferences and Programs**

The research vertical of CAFRAL conducted two conferences in the Financial Year.

CAFRAL Research organized its flagship **Annual Research Conference on “Financial System and Macroeconomy in Emerging Economies”** on December 12–13, 2024, at Trident Hotel in Mumbai. The conference began with introductory remarks by Shri B.P. Kanungo, Director of CAFRAL.

The keynote speakers at the event were Prof. Olivier Coibion (University of Texas, Austin) and Prof. Amiyatosh Purnanandam (Ross School of Business, University of Michigan). Prof. Coibion spoke on “The New Causal Macroeconomics of Subjective Expectations and Decisions” and Prof. Purnanandam spoke on the “Implications of Deposit Insurance for Depositors and Banks”. In response to the call for papers posted in CAFRAL and other popular professional websites, a total of 52 submissions were received by the deadline. Out of these, 9 papers were selected for presentation. A total of ten academic papers were presented over two days. In line with precedence, one CAFRAL researcher (Dr. Kaushalendra Kishore) presented a paper on “Delegation with Flexible Information Acquisition.”

The presentations covered a wide range of contemporary issues in macroeconomics and financial systems, including corporate credit reallocation, banking diversification, inflation expectations and cryptocurrency, central bank communication, and digitalisation in public administration.

The conference witnessed participation from eminent researchers representing reputed academic and policy institutions such as Bank of Italy, NYU Stern, IIT Delhi, IMF, IIM Bangalore, and the University of Chicago. Distinguished discussants included academics from Johns Hopkins University, Ashoka University, IIT Kanpur,



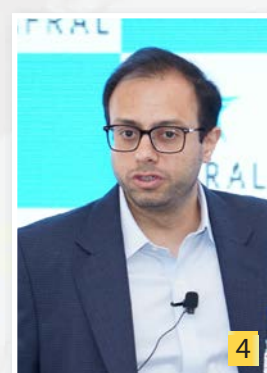
1. B P Kanungo, Director, CAFRAL; 2. Prof. Amiyatosh Purnanandam, University of Michigan 3. Dr. Gautham Udupa Associate Professor, CAFRAL

## Other Outreach Activities - Research Conferences and Programs



and Indian School of Business.

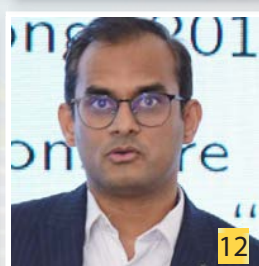
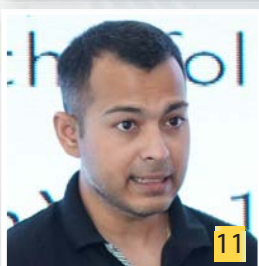
CAFRAL's Annual Research Conference brought together eminent scholars and policymakers to present and discuss cutting-edge research on banking, finance, and macroeconomics. Dr. Enrico Sette (Bank of Italy) presented a paper on corporate runs and credit reallocation', highlighting how sudden liquidity pressures alter banks' lending patterns; the paper was discussed by Dr. Apoorva Javadekar (Indian School of Business). Dr. Venky Venkateswaran (NYU Stern, NBER) examined geographical diversification in banking through a structural model, showing the benefits and risks of spatial expansion; the paper was discussed by Dr. Raj Iyer (Imperial College London). Dr. Rimmy E. Tomy (Chicago Booth) presented evidence on borrower behavior and trust in banks, demonstrating how supervisory actions and local information shape credit outcomes; Dr. Vidhya Soundararajan (CAFRAL) served as discussant. Dr. Sonny Biswas (University of Bristol Business School) analyzed endogenous entry and two-sided price competition in banking, illustrating how competitive dynamics evolve in financial markets; the paper was discussed by Dr. Bikramaditya Datta (IIT Kanpur). Dr. Pulak Ghosh (IIM Bangalore) explored the



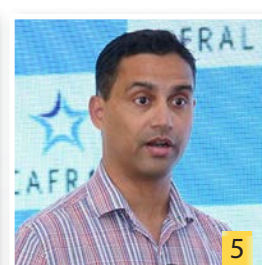
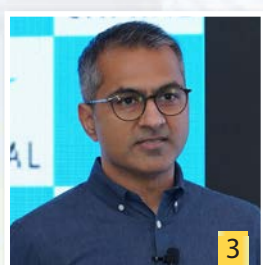
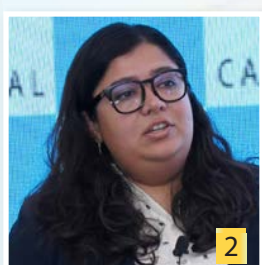


1. Group Photo during CAFRAL Annual Conference: Financial System and Macroeconomy in Emerging Economies ; 2. Dr. Nirupama Kulkarni, Professor, CAFRAL; 3. Raj Iyer, Imperial College London, 4. Apoorva Javadekar, Indian School of Business; 5. Pulak Ghosh, IIM Bangalore; 6. Venky Venkateswaran, New York University and FRB Minneapolis; 7. Dr. Vidhya Soundararajan, Assistant Professor; CAFRAL; 8. Abhiman Das, IIM Ahmedabad; 9. Enrico Sette, Bank of Italy; 11. Sonny Biswas, University of Bristol Business School; 12. Dr. Kaushalendra Kishore, Assistant Professor, CAFRAL; 13. Suranjana Kundu, IIT Delhi

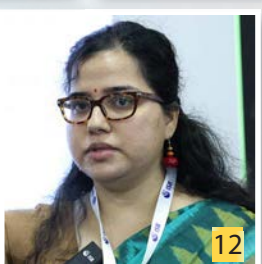
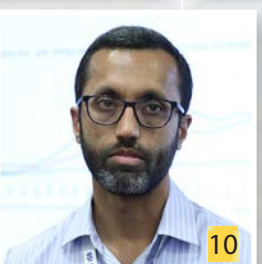
relationship between inflation expectations and cryptocurrency investment, highlighting how perceived inflation risk drives digital asset demand; Dr. Abhiman Das (IIM Ahmedabad) provided the discussion. On public sector interventions, Dr. Somnath Sharma (Reserve Bank of India) presented work on public administration digitalisation and microenterprise productivity in India, showing how digitised government services improve small business performance; the paper was discussed by Dr. Rishabh Aggarwal (Indian School of Business). The macro-financial sessions featured Dr. Davide Furceri (International Monetary Fund) on financial stress and global economic activity, presenting a new worldwide index that captures systemic vulnerabilities; Dr. Pallavi Chavan (RBI) served as discussant. Dr. Aeimit Lakdawala (Wake Forest University) examined monetary policy transmission in India,



highlighting how central bank communications influence market responses; the paper was discussed by Dr. Anshumaan Tuteja (Ashoka University). Dr. Suranjana Kundu (IIT Delhi) presented a continuous-time heterogeneous agent model to study the distributional consequences of monetary policy in India, showing differential effects across income groups; Dr. Saroj Bhattarai (UT Austin) provided the discussion. The conference concluded with Dr. Kaushalendra Kishore's (CAFRAL) presentation on delegation and flexible information acquisition, illustrating how ignoring left-tail risks affects decision-making; Dr. Deeksha Gupta (Johns Hopkins) discussed the paper.



CAFRAL Research also organized a **joint conference with the Indian School of Business (ISB)** on March 20–21, 2025, at Indian School of Business Mohali, in Chandigarh on the theme **“The Impact of Digitisation on Households and Firms.”** The keynote address was delivered by Prof. Manju Puri, J.B. Fuqua Professor of Finance at Duke University, Editor of the Review of Financial Studies, and President of the Western Finance Association. Prof. Puri presented her co-authored (co-authored with Nirupama Kulkarni from CAFRAL, Sashwat Alok and Pulak Ghosh) paper titled “Open Banking and Digital Payments: Implications for Credit Access”. The paper uses India’s launch of an Open-Banking based public digital payment infrastructure (UPI) to answer if verifiable digital financial histories improve credit access. The paper shows several mechanisms at play: low-cost internet improves credit access, lenders weigh in digital histories, and digital payments with Open Banking effectively complement first-time bank accounts enabling access to formal credit.

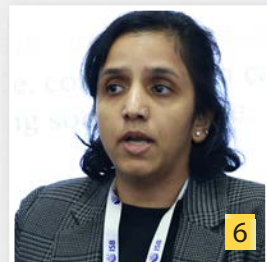
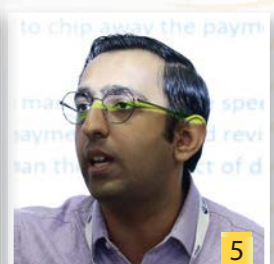
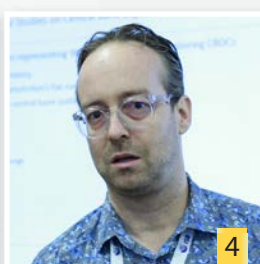
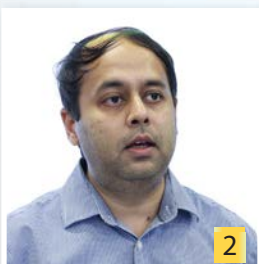


1. Bikramaditya Datta, IIT Kanpur; 2. Aditi Singh, Shiv Nadar University; 3. Aeimit Lakdawala, Wake Forest University;
4. Deeksha Gupta, Johns Hopkins University; 5. Saroj Bhattarai, University of Texas, Austin; 6. Manju Puri, Duke University;
7. Dr. Nirupama Kulkarni, Professor, CAFRAL; 8. Pulak Ghosh, IM Bangalore; 9. Abhiman Das, IIM Ahmedabad;
10. Narayan Bulusu, Bank of Canada; 11. Dr. Vidhya Soundararajan, Assistant Professor, CAFRAL; 12. Sargam Gupta, IGIDR;
13. Tamanna Singh Dubey, Indian School of Business

In line with precedence, one CAFRAL researcher (Dr. Nirupama Kulkarni) presented a paper on “Open Payment Systems and Retail Market Access”. The research covered a diverse set of topics such as remittance costs, digital payments and growth, retail market access, labor market inequality, instant payments and liquidity risks, CBDCs and geopolitics, and the BigTech–bank lending interface.

The conference brought together presenters and discussants from globally reputed institutions including the Bank of Canada, Columbia Business School, University of Michigan, INSEAD, Goethe University, and IIM Bangalore. The conference served as a platform for high-quality academic exchange on how digitalisation is reshaping the financial behaviour of firms and households.

The conference also featured a dedicated set of sessions on payments, financial innovation, and digital transformation, highlighting the evolving role of technology in shaping financial markets. Dr. Narayan Bulusu (Bank of Canada), with Ingomar Krohn, presented on the impact of digital providers on remittance costs, showing how fintech lowers transaction charges in cross-border transfers; the paper was discussed by Ms. Sargam Gupta (IGIDR). Dr. Tamanna S. Dubey (University of Michigan), with Amiyatosh Purnanandam, examined whether cashless payments can spur economic growth, presenting cross-country evidence linking digital payments to output expansion; Dr. Abhiman Das (IIM Ahmedabad) served as discussant. Dr. Nirupama Kulkarni (CAFRAL), with Meghana Ayyagari, Yuxi [Lance] Cheng, and Pulak Ghosh, presented work on open payment systems and retail market access, highlighting how interoperability expands market reach for smaller firms; the paper was discussed by Ms. Kriti



1. Kriti Khanna, Plaksha University 2. Shashwat Alok, Associate Professor of Finance, Indian School of Business, Hyderabad 3. Nitin Vishen, Indian Institute of Management, Bangalore; 4. Jan Kiel, Indian School of Business; 5. Anirudh Dhawan, Indian Institute of Management, Bangalore; 6. Vasudha Nukala, Indian School of Business

Khanna (Plaksha University). Dr. Carlos Parra (University of Minnesota), with Jacelly Cespedes, Carlos Burga, and Bernardo Ricca, analyzed the implications of instant payment systems for labor markets and wage inequality, showing that faster payments can amplify wage dispersion; Dr. Pulak Ghosh (IIM Bangalore) discussed the paper. Dr. Yiming Ma (Columbia Business School), with Rodrigo Gonzalez and Yao Zeng, explored how instant payments affect banking system liquidity transformation and risk-taking, finding that real-time payments change banks’ funding dynamics; Dr. Nitin Vishen (IIM Bangalore) served as discussant. On broader policy themes, Dr. Jan Kiel (Goethe University), with Tobias Berg, Felix Martini, and Manju Puri, examined CBDCs, payment firms, and geopolitics, discussing the implications of sovereign digital currencies for global finance; the paper was discussed by Dr. Anirudh Dhawan (IIM Bangalore). The session concluded with Dr. Ben Charoenwong (SAIF), with Yiyao Wang, presenting on the BigTech–bank lending ecosystem, highlighting how platform lenders interact with traditional banks; Ms. Vasudha Nukala (ISB) moderated the discussion.

## Research Seminars

The full list of seminars hosted by CAFRAL Research is listed in Annex-1 (E). CAFRAL hosted 28 seminars and webinars and invited leading researchers from global academic institutions (National University of Singapore, University of Manchester, University of Oklahoma, University of Minnesota, University of Maryland, Tulane University, Fuqua School of Business Duke University, Fisher School of Business the Ohio State University, McMaster University, Carey Business School at The Johns Hopkins University, University of Zurich, University of Melbourne, City University of New York, University of North Carolina, University of California (UC), University of Toronto, Arizona State University, Krea University, Artha Global), presenters from reputed policy institutions like the Indian Institute of Management Lucknow, International Monetary Fund Washington DC, Indian Institute of Technology Delhi, Ashoka University, National Council of Applied Economic Research (NCAER) – National Data Innovation Center New Delhi, Shiv Nadar University, Center for Monetary and Financial Studies (CEMFI) Spain, Delhi School of Economics (DSE), IIM Ahmedabad.

These seminars covered interesting topics like women's financial decision-making, labor force participation, social safety nets, fintech, rural economic transitions, bank credit, and macroeconomic policy transmission. Spanning issues from gender and labor economics to digital finance and global monetary dynamics, the presentations reflected a rich blend of theory, empirical analysis, and policy relevance. Scholars from top global and Indian institutions contributed diverse perspectives on development economics, financial markets, macroeconomic shocks, and institutional reforms, offering valuable insights for both researchers and policymakers.

## 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 18 presentations during the Financial Year.

Dr. Vidhya Soundararajan presented at Ashoka University, Indian Institute of Management Calcutta, Indian Statistical Institute (ISI) Delhi, Indian Statistical Institute Kolkata, PacDev Conference in Los Angeles (USA). Dr. Yogeshwar Bharat presented at the Delhi School of Economics and Shiv Nadar University. Dr. Gautham Udupa presented at the Computational Economics and Finance Annual Conference in Singapore, Society of Economic Dynamics Conference in Barcelona (Spain), Indian School of Business, Indian Statistical Institute Delhi, Shiv Nadar University, and Delhi School of Economics. Dr. Nirvana Mitra presented at the ABLE Workshop at IIM Ahmedabad and the European Winter Meetings of the Econometric Society in Palma de Mallorca (Spain). Dr. Kaushalendra Kishore presented at the Delhi School of Economics. Dr. Nirupama Kulkarni presented at the IIMC-NYU Stern India Research Conference and CAFRAL-ISB Joint Conference at ISB, Mohali. Dr. Sankalp Mathur presented at Ashoka University.

Building on the initiative launched in the first year, the "Showcasing CAFRAL Research" seminar series continued in the second year as a platform to present ongoing research to a broader, non-academic audience. Designed to engage practitioners, policymakers, and industry experts, the series has helped bridge the gap between academic research and real-world application. These bi-monthly seminars not only showcase CAFRAL's work but also facilitate valuable feedback and discussion. As part of this ongoing effort, Dr. Nirupama Kulkarni presented on May 31, 2024; April 5, 2024; and February 13, 2025. Dr. Kaushalendra Kishore presented

on April 5, 2024. Dr. Sankalp Mathur presented on August 29, 2024, and November 13, 2024. Dr. Vidhya Soundararajan presented on November 13, 2024.

CAFRAL Researcher is also involved in an external engagement. Dr. Vidhya Soundararajan participated in a keynote panel discussion at Plaksha University.

# CAFRAL Learning

The Learning programs were thoughtfully designed to address the evolving challenges in the banking and the financial sector. Key focus areas included emerging cyber threats, digital forensics, customer education and protection, compliance, financial frauds, fintech and advanced technologies in financial intermediation, credit risk management, data protection, privacy and localisation, climate change risk and sustainability, and Know your Customer and Anti Money Laundering, etc. Iterations of the role-specific conferences for Treasury Heads, Ombudsmen, Chief Financial Officers and Chief Compliance Officers, Chief Economists & Chief Risk Officers and programs for KYC & AML, Chairpersons & Non-Executive Directors, Cyber Risk and Resilience, the Conference for Company Secretaries and Secretaries to the Boards, Heads of Inspection and Audit, and Governance and Assurance for Directors continued to be in demand and received wide appreciation from the participants. A specialized program on Risk Management for City Union Bank (CUB) officers, program for the senior management of Canara Bank and Axis Bank Ltd., program on Internal Audit for Senior Officers of Axis Bank Ltd and KYC & AML for Senior HDFC Bank Senior officers were also conducted. Notably, the flagship CALP program, conducted in collaboration with the McDonough School of Business, Georgetown University, was highly acclaimed. A leadership program for Emerging leaders of the Banks, FIs and NBFCs was conducted in collaboration with The Critical Dialogue', which received an excellent response from the participants. We also conducted a conference for Chief Human Resources Officers and Chief Learning Officers to better understand the banks and financial institutions' training needs.

## Compliance and Assurance

Compliance functions form a crucial part of a bank's second line of defence in risk management. It is important that financial intermediaries ensure strict adherence to all relevant statutory provisions, rules, and regulations, along with their own internal policies, procedures, and guidelines. In order to enable discussions between Regulators and Bankers, CAFRAL held programs on Compliance and Assurance for Senior Officers of Banks, FIs and NBFCs. The program conducted exclusively on Compliance focused on the importance of a robust compliance culture. It provided a platform for discussions amongst the regulators, supervisors and practitioners on regulatory expectations, risk-based approaches to compliance, and best practices for strengthening internal systems and controls. Key issues that the program covered were compliance issues in consumer protection & customer complaints and grievance handling, as well as compliance with FEMA, RBI and SEBI



regulations related to foreign exchange, investment, and trade transactions, Compliance against Financial Crime, importance of transaction monitoring etc. The program brought together senior audit and inspection leaders from across the financial

sector. The conference helped in better understanding of the synergy amongst the compliance and audit teams of a regulated entity, to ensure early detection and mitigation of risks.



### Customer Education & Protection

In today's environment, threats such as phishing, SMS Scam, Deepfakes and other frauds are on the rise. The growing diversity in financial products and their complexity can often hinder the consumer's understanding and decision-making. Hence, a clear and transparent communication from the bank's side on their offerings, service charges and other relevant aspects helps build an environment of trust and transparency in customer service. The Virtual Conference of Ombudsmen, brought together Ombudsmen from various financial institutions to deliberate on evolving trends, challenges, and best practices in grievance redressal. The conference highlighted the critical role of the Ombudsman in creating an eco-system of trust and transparency in financial institutions. The Virtual Program on Customer Education & Protection aimed at equipping senior executives with strategies to enhance customer awareness and safeguard consumer interests. The program explored current developments in consumer protection, the impact of digital transformation on customer engagement, and regulatory expectations for proactive consumer education.

### Customized Program

CAFRAL is recognized for organizing learning programs that connect senior leaders from the banking and financial sector with seasoned experts and regulators who bring extensive practical experience. These interactions are designed to encourage deeper insights, broaden perspectives, and support more informed decision-making within the industry. We are positioned in such a way, that we can design and deliver customized programs for banks, based on the financial sector's



1. Group Photo during Conference of Chief Compliance Officers: Expectations and Challenges; 2. R. Lakshmi Kanth Rao, Executive Director, Reserve Bank of India; 3. Ashwani Bhatia, Whole Time Member, Securities and Exchange Board of India (SEBI); 4. Umesh Kumar Singh, Central Registrar, MD & CEO, CERSAI; 5. Tarun Kumar Singh, Chief General Manager, DoS, Reserve Bank of India; 6. Group Photo during Program for Senior Risk & Compliance Officials of Axis Bank Ltd.

needs and challenges. A focused program was delivered for Axis Bank on Risk and Compliance, wherein issues relating to governance, risk-based supervision, financial crime, and accountability were deliberated in detail by subject matter experts. A comprehensive program for Canara Bank brought together critical themes shaping the banking landscape, regulatory trends, trade finance, the power of business analytics, G-Sec market, NPA and stressed asset management, and ethics and business conduct which enabled the participants to gain deeper insights and to frame better strategies.

**Emerging Trends and Technology**

In an era where cyber threats transcend borders and criminals continuously exploit the vulnerabilities, the financial institutions must balance the adoption of new technologies with robust cyber controls mechanism. Integrating cyber risk and resilience into governance and risk management frameworks is essential. Emerging tools such as Artificial Intelligence (AI), Machine Learning (ML), and fintech innovations offer opportunities for efficiency, cost reduction, and enhanced customer service. The Program on Emerging Trends in Cyber Attacks, Timely Response and Digital Forensics equipped the participants with insights into the latest and emerging cyber challenges. The Program on Fintech and Advanced Technologies in Financial Intermediation explored how innovations such as blockchain, artificial intelligence, and API-driven platforms are reshaping financial services. Through the Program on Cyber Risk & Resilience, senior executives examined frameworks for enhancing organizational resilience against cyber threats, focusing on proactive risk assessment, cyber hygiene, and



business continuity planning. Furthermore, the Program on Data Protection, Data Privacy & Data Localization addressed the emerging regulatory requirements, best practices for safeguarding sensitive information, and strategies for aligning data governance with global standards while adhering to local mandates. These programs helped the participants to enhance their technological awareness, cyber defense frameworks, while safeguarding trust of the customers.

**Financial Market**

India has been a significant growth story and one of the fastest growing economy in the world. Thus, the regulatory policy reforms has been a top priority for the regulators including the Reserve Bank of India and other financial regulators. Against this backdrop, CAFRAL conducted a program on Developments in Financial Market to provide an overview on the significant policy stance, provide trends in financial markets regulations and sensitise on issues pertaining to treasury functions, measures needed to make the financial markets more resilient and to make the Indian currency more global.

**Governance and Leadership**

1. Group Photo during CAFRAL Advanced Leadership Program (CALP) Indian Leg;

CAFRAL conducted four programs under Governance and Leadership Segment. The program for the board members of the financial institutions was held with a view to enhancing their awareness on the regulatory expectations and to sensitise them on issues of current interest, and best practices in Board governance. CAFRAL's flagship program (Advanced Leadership Program) was held with an aim to provide an opportunity to the top and senior executives to interact with top researchers and academicians besides interact with institutions which have been at the forefront of developing advanced concepts in policy formulation in the ever-changing financial world. The program was held in collaboration with McDonough School of Business, Georgetown University, Washington DC, USA. We had received 22 nominations from Reserve Bank of India, Banks and Financial Institutions. Another leadership program was conducted in collaboration with The Critical Dialogue to develop the capacities and skills required to build a constructive and effective relationships, participate in context specific leadership and



on how to find solutions that deliver results.

#### Program for C-suite officers



1. J K Dash, Executive Director, Reserve Bank of India; 2. Dr. Sitikantha Pattanaik, Former Executive Director, Reserve Bank of India; 3. L:R- J K Pandey, Senior Program Director, CAFRAL and Prabir Jha, Founder & CEO,Prabir Jha People Advisor; 4. CALP Participants during overseas leg at McDonough School of Business (MSB), Georgetown University (GU), Washington DC, USA; 5. Ashwini Kumar Tewari, Managing Director, State Bank of India; 6. Dr. Vijay Singh Shekhawat, Chief General Manager, Department of Supervision, Reserve Bank of India; 7. V. Vaidyanathan, MD &CEO, IDFC First Bank; 8. Debasish Mishra, Chief General Manager, State Bank of India



CAFRAL regularly conducts specialized programs for C-suite officers to address critical issues and emerging trends in the financial sector. During the year, seven programs were held for top executives of banks to deliberate on emerging trends in customer service and ever-increasing cyber frauds. A conference for Treasury Heads was conducted to provide a platform to discuss issues like financial market operations, regulatory perspective, bond market challenges, NDF market, retailing of government securities, forex market and systemic risks arising due to inter linkages among financial sector players. A conference of Chief Compliance Officers enabled participants to understand the regulatory perspective, supervisory



expectations and emerging concerns. Similarly, a program for Chief Financial Officers (CFOs) was conducted to provide a perspective on the changing nature of the finance function and the evolving role of CFOs in the financial sector in a regulatory environment characterized by enhanced disclosure and reporting requirements. After emerging from the pandemic as a



1. Group photo during Conference of Treasury Heads: Emerging Trends; 2. S.C Murmu, Executive Director, Reserve Bank of India; 3. Mr. M. R. Prasad, Former CEO, Syndicate Bank; 4. Sunil Nair, Chief General Manager, Sustainable Finance Group, Reserve Bank of India; 5. D.C. Jain, IPS, Former Special Director, Central Bureau of Investigation (CBI), 6. Group photo during Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): Emerging Challenges and Trends

resilient economy with strong macroeconomic fundamentals, India's growth performance has surprised many. However, this continued growth faces challenges from geopolitical turbulence, climate and transition risks and less than anticipated revival of private sector capex. To deliberate on these challenges, CAFRAL conducted a conference of Chief Economists, which also covered the impact of fintech in the banking landscape and the globalization of rupee. Risk Management in any institution becomes more effective, when a strong risk culture and governance is embedded in the risk management framework. To deliberate on this, a conference of Chief Risk Officers and Heads of Risk Management was conducted. A dedicated program for Company Secretaries and Secretaries to the Boards deliberated on the issues that lie at the intersections of the Compliance function and Secretarial function. Further, a program for Chief Human Resources Officers (CHROs) and Chief Learning Officers



(CLOs) was held to deliberate and explore the emerging trends in human resource and the learning challenges.

## Risk Management

Recognizing that effective risk management requires a strong risk culture and a robust governance framework, CAFRAL has been conducting programs focusing on the recent developments in banks, financial institutions and NBFCs. These programs



1. Group photo during Conference of Chief Risk Officers & Heads of Risk Management: Risk Leaders in a VUCA World; 2. Saurav Sinha, Former Executive Director, Reserve Bank of India; 3. Dr. Anil Khandelwal, Former Chairman, Bank of Baroda; 4. C. Sankaranarayanan, Senior Program Director, CAFRAL; 5. Tomohiro Ishikawa, Chief Regulatory Engagement Officer, Mitsubishi UFJ Financial Group

aimed at drawing lessons from risk management & governance failures and climate related risks, being faced by financial sector. Under this segment, CAFRAL conducted nine such programs on Governance and Risk Management for Senior Officers of banks, NBFCs including HFCs focusing on the regulatory perspective for addressing customer grievances. Further, a program was conducted for the Senior Officers of City Union Bank Ltd. on Risk Management to discuss the current banking scenario and its challenges and measures taken to mitigate emerging risks. CAFRAL also conducted programs on KYC and



AML for the senior officials and board members to address the various risks associated with its non-compliance. On the similar topic, a program was also conducted for the CXOs of HDFC Bank Ltd. A program on Credit Risk Management was conducted for the senior officials who are involved with credit, recovery/stressed assets and risk management functions and also to deliberate on the salient aspects and emerging approaches.

### Financial Frauds and Forensic Audits

To address the increasing complexity of financial frauds, CAFRAL organized a program on Financial Frauds and Forensic Audit, highlighting the importance of robust reporting and monitoring mechanisms and the role of forensic audits in fraud prevention. Further, a workshop was also conducted in collaboration with the Sustainable Finance Group (Department of Regulation, RBI) which aimed at sensitization of senior executives and Board directors on climate related risks and mitigation measures



1. Group photo during Program on Compliance for Officers of Banks, Financial Institutions & NBFCs; 2. Group photo during Program on Financial Frauds and Forensic Audits

As part of dissemination of knowledge, the speeches of keynote speakers, session discussions and papers are posted on CAFRAL's official website ([www.cafral.org.in](http://www.cafral.org.in)) for the benefit of students, researchers, regulators and other stake holders.

# Administration and HR

There have been quite a few changes in the Governing Council of CAFRAL. Shri Shaktikanta Das, Chairman, Governing Council demitted office as the Governor of the Reserve Bank of India on December 10, 2024. CAFRAL welcomed Shri Sanjay Malhotra as the Chairman of the Governing Council of CAFRAL with effect from December 11, 2024. Dr. Michael Debabrata Patra demitted office as the Deputy Governor of the Reserve Bank of India on January 14, 2025. Dr. Poonam Gupta, Deputy Governor, Reserve Bank of India has been appointed as Member of the Governing Council of CAFRAL with effect from May 02, 2025. Shri Bibhu Prasad Kanungo, demitted office as Director of CAFRAL on March 31, 2025 and Dr. Rajiv Ranjan, Executive Director, RBI has been given additional responsibility as Director, CAFRAL from close of business of March 28, 2025. Prof. Partha Ray and Dr Sajjid Z. Chinoy have been re-nominated to the Governing Council of CAFRAL by Reserve Bank of India for a further period of three years each.

2. The untimely death of Shri Jyoti Kumar Pandey Senior Program Director on 4th January 2025 was a huge setback to the team.

3. Shri Manas Ranjan Mohanty, joined CAFRAL as Additional Director (Learning & Administration) on April 30, 2025. Shri Kamal Patnaik joined CAFRAL as Senior Program Director on August 01, 2025. Dr Vedant Agarwal joined CAFRAL as Assistant Professor as on August 11, 2025. As on August 31, 2025, CAFRAL has 44 staff on contract and an office boy who has been outsourced from an agency. CAFRAL welcomed thirteen new Research Associates. The names of CAFRAL staff are given in Annex 3.

## **HR Initiatives**

An Internal Committee on Prevention of Sexual Harassment (POSH) 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 August 14, 2025. 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. No case of sexual harassment has been reported.

# Acknowledgements

We would like to acknowledge the valuable guidance given to us by Governor & Chairman and the Governing Council members, CAFRAL. Two Governing Council members, Shri Shaktikanta Das (Chairman) demitted office as Governor, Reserve Bank of India on December 10, 2024 and Dr Michael D. Patra demitted office of Deputy Governor, RBI on January 14, 2025. Their contribution to CAFRAL has laid the foundation from where both research and learning are poised to achieve greater heights. We acknowledge the contribution of Shri Bibhu Prasad Kanungo who as Director ably guided the institution. Smt Indirani Bannerji also demitted office as Additional Director in April 2024 and we are grateful for her guidance to the organisation. 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 the avid 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.



The background features a light, airy aesthetic with a faint silhouette of a city skyline. Overlaid on this are several decorative elements: wavy, concentric lines in shades of light blue and yellow, and a vertical yellow line with a dotted pattern. The overall color palette is soft and professional.

**CAFRAL - FINANCIAL STATEMENTS**

**2024-25**

# 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, 2025, 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, 2025;
- (b) in the case of the Income and Expenditure Account, of deficit (reimbursed by RBI) for the year ended 31st March, 2025.

## 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 31/03/2025 of Rs. 7,145/-.
- d. All books, deeds, accounts, vouchers or other documents or records as required were produced before us.
- e. Register of movable properties was updated till 31st March 2025.
- 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 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 23 , 2025

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, 2025

| FUNDS & LIABILITIES   | As at                       | As at                       |  |
|---|-----------------------------|-----------------------------|--|
|   | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March 2024 |  |
|   | ₹                           | ₹                           |  |
| <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  | 2,52,35,907                 | 2,06,86,307                 |  |
| Liabilities (As per Schedule "A")   | 2,78,24,294                 | 63,01,823                   |  |
|   |                             |                             |  |
|   |                             |                             |  |
|   |                             |                             |  |
|   |                             |                             |  |
|   |                             |                             |  |
|   |                             |                             |  |
|   |                             |                             |  |
|   |                             |                             |  |
| <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                         |  |
|   |                             |                             |  |
|   |                             |                             |  |

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 23, 2025

|  | PROPERTY & ASSETS                        | As at                       | As at                       |
|--|--|-----------------------------|-----------------------------|
|  |  | 31 <sup>st</sup> March 2025 | 31 <sup>st</sup> March 2024 |
|  |  | ₹                           | ₹                           |
|  | <b>Immovable Properties: (At Cost)</b>   | NIL                         | NIL                         |
|  |  |                             |                             |
|  |  |                             |                             |
|  |  |                             |                             |
|  | <b>Investments:-</b>                     | NIL                         | NIL                         |
|  |  |                             |                             |
|  | <b>Movable Properties (Schedule B):-</b> |                             |                             |
|  | Cost                                     | 2,54,76,122                 | 2,54,18,419                 |
|  | Less: Depreciation up to date            | 1,83,48,889                 | 2,11,86,024                 |
|  |  | 71,27,233                   | 42,32,395                   |
|  | Add: Work in Progress                    | 64,76,476                   | NIL                         |
|  |  | 1,36,03,709                 | 42,32,395                   |
|  |  |                             |                             |
|  | <b>Unsecured and Good</b>                |                             |                             |
|  | Sundry Debtors                           | 14,13,800                   | 43,50,600                   |
|  |  |                             |                             |
|  | <b>Advances:-</b>                        | 1,25,77,199                 | 88,99,258                   |
|  | (As per Schedule "C")                    |                             |                             |
|  |  |                             |                             |
|  | <b>Income Outstanding:</b>               |                             |                             |
|  | - Interest Accured on Fixed Deposit      | 3,57,750                    | 5,09,939                    |
|  |  |                             |                             |
|  | <b>Cash And Bank Balances:</b>           |                             |                             |
|  | (a) Cash on Hand                         | 7,145                       | 4,077                       |
|  | (b) In Saving Account with Bank          | 54,28,994                   | 89,91,861                   |
|  | (b) In Fixed Deposit with Bank           | 2,46,71,603                 | 50,00,000                   |
|  |  |                             |                             |

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 23, 2025

## 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, 2025

| Expenditure   | For the Year Ended 31 <sup>st</sup> March 2025 | For the Year Ended 31 <sup>st</sup> March 2024 | Income                                    | For the Year Ended 31 <sup>st</sup> March 2025 | For the Year Ended 31 <sup>st</sup> March 2024 |
|---|--|--|---|--|--|
|   | ₹  | ₹  |   | ₹  | ₹  |
| To Expenditure in respect of Properties             | NIL  | NIL  | By Training Programme Fees Recovered      | 5,13,85,000                                    | 3,53,10,500                                    |
| To Establishment Expenses<br>(As per Schedule "D")  | 23,08,029                                      | 13,60,790                                      | By Bank Interest                          | 13,75,358                                      | 11,43,781                                      |
| To Audit Fees                                       | 1,70,500                                       | 1,55,000                                       | By Donations in Cash or Kind              | NIL  | NIL  |
| To Amount written off                               | NIL  | NIL  | By Grants                                 | NIL  | NIL  |
| (a) Bad Debts                                       |  |  |   |  |  |
| (b) Loan Scholarship                                |  |  |   |  |  |
| (c) Irrecoverable Rents                             |  |  | By Interest on Income Tax Refund          | 37,648   | NIL  |
| (d) Other Items                                     |  |  |   |  |  |
| To Short Provision for Income Taxes of earlier year | NIL  | NIL  | By Misc Income                            | 20,678   | NIL  |
| To Contribution and Fees                            | NIL  | NIL  |   |  |  |
| To Depreciation (As per Schedule "B")               | 30,89,550                                      | 21,00,646                                      | By Deficit for the year reimbursed by RBI | 10,44,50,400                                   | 12,04,27,627                                   |
| To Expenditure on the object of the trust           |  |  |   |  |  |
| - Educational                                       | 15,17,01,005                                   | 15,32,65,472                                   | By Transfer from Reserve                  | NIL  | NIL  |
| (As per Schedule "E")                               |  |  |   |  |  |
| <b>To Surplus carried over to Balance Sheet</b>     |  |  |   |  |  |
| <b>Total</b>  | <b>15,72,69,084</b>                            | <b>15,68,81,908</b>                            | <b>Total</b>                              | <b>15,72,69,084</b>                            | <b>15,68,81,908</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. 002438C  
CA PRATIBHA SHARMA  
Partner  
M. No. 400755

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING

TRUSTEE

TRUSTEE

TRUSTEE

Place: Mumbai

Date: September 23, 2025

Place: Mumbai

Date: September 23, 2025

## Schedule A: Liabilities

| Particulars                                  | As on<br>31 <sup>st</sup> March 2025 | As on<br>31 <sup>st</sup> March 2024 |
|--|--------------------------------------|--------------------------------------|
|  | ₹                                    | ₹                                    |
| Expenses Payable                             | 65,87,592                            | 31,35,150                            |
| Provision made towards Service Tax Liability | 1,96,23,416                          | -                                    |
| Liability for Tax Deducted at Source         | 8,74,765                             | 2,94,294                             |
| Liability for Gratuity Fund                  | 35,366                               | 26,52,554                            |
| Advance from Debtors                         | 25,000                               | 20,000                               |
| GST liability (RCM)                          | 6,70,554                             | 37,985                               |
| Retention Money                              | -                                    | 1,53,440                             |
| Profession Tax Payable                       | 7,600                                | 8,400                                |
| <b>Total</b>                                 | <b>2,78,24,293</b>                   | <b>63,01,823</b>                     |

## Schedule B: Movable Properties

| Name of the Asset                       | Rate of Depreciation | COST                             |                  |                  |                                   |
|---|----------------------|----------------------------------|------------------|------------------|-----------------------------------|
|   |                      | As on 1 <sup>st</sup> April 2024 | Additions        | Deletions        | As on 31 <sup>st</sup> March 2025 |
|   |                      | ₹                                | ₹                | ₹                | ₹                                 |
| <b>Tangible</b>                         |                      |                                  |                  |                  |                                   |
| 1. Computer Hardware Including Printers | 33.33%               | 99,73,946                        | 35,53,668        | 11,26,043        | 1,24,01,571                       |
| 2. Other Electrical Equipment           | 20.00%               | 59,99,700                        | 2,99,625         | 44,68,195        | 18,31,130                         |
| 3. Furniture                            | 20.00%               | 17,73,988                        | 1,33,419         | 3,32,447         | 15,74,960                         |
| <b>Intangible</b>                       |                      |                                  |                  |                  |                                   |
| 4. Computer Software                    | 33.33%               | 76,70,785                        | 19,97,676        | -                | 96,68,461                         |
| <b>Total</b>                            |                      | <b>2,54,18,419</b>               | <b>59,84,388</b> | <b>59,26,685</b> | <b>2,54,76,122</b>                |
| <b>Previous Year</b>                    |                      | <b>2,31,20,876</b>               | <b>32,34,514</b> | <b>9,36,971</b>  | <b>2,54,18,419</b>                |
| <b>Capital Work in Progress</b>         |                      |                                  |                  |                  |                                   |
| 5. CAFRAL's Website                     |                      | -                                | 64,76,476        |                  | 64,76,476                         |
| <b>Previous Year</b>                    |                      | -                                | -                | -                | -                                 |

## Schedule C: Advances

| Particulars  | As on 31 <sup>st</sup> March 2025 | As on 31 <sup>st</sup> March 2024 |
|--|-----------------------------------|-----------------------------------|
|  | ₹                                 | ₹                                 |
| GST Input Credit                                   | 27,21,291                         | 26,20,468                         |
| Tax Deducted at Source                             | 48,08,047                         | 21,89,644                         |
| Advance to Creditors                               | 52,744                            | -                                 |
| Deposit  | 14,000                            | 14,000                            |
| Other Receivables                                  | 3,500                             | -                                 |
| Prepaid Expenses                                   | 30,15,276                         | 21,12,805                         |
| Deposit paid to Service Tax Authorities for Appeal | 19,62,341                         | 19,62,341                         |
| <b>Total</b>                                       | <b>1,25,77,199</b>                | <b>88,99,258</b>                  |

|  | DEPRECIATION                    |                  |                  |                                   | Written Down Value (WDV)          |                                   |
|--|---------------------------------|------------------|------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | Upto 1 <sup>st</sup> April 2024 | During the Year  | Deletions        | As on 31 <sup>st</sup> March 2025 | As on 31 <sup>st</sup> March 2025 | As on 31 <sup>st</sup> March 2024 |
|  | ₹                               | ₹                | ₹                | ₹                                 | ₹                                 | ₹                                 |
|  | 71,81,144                       | 19,86,799        | 11,26,043        | 80,41,900                         | 43,59,671                         | 27,92,802                         |
|  | 55,76,928                       | 2,33,152         | 44,68,195        | 13,41,885                         | 4,89,245                          | 4,22,772                          |
|  | 14,93,910                       | 80,570           | 3,32,447         | 12,42,033                         | 3,32,927                          | 2,80,078                          |
|  | 69,34,042                       | 7,89,029         | -                | 77,23,071                         | 19,45,390                         | 7,36,743                          |
|  | <b>2,11,86,024</b>              | <b>30,89,550</b> | <b>59,26,685</b> | <b>1,83,48,889</b>                | <b>71,27,233</b>                  | <b>42,32,395</b>                  |
|  | <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>                  |
|  | -                               | -                | -                | -                                 | 64,76,476                         | -                                 |
|  | -                               | -                | -                | -                                 | -                                 | -                                 |

## Schedule D: Establishment Expenses

| Particulars                          | For the Year Ended<br>31 <sup>st</sup> March 2025 | For the Year Ended<br>31 <sup>st</sup> March 2024 |
|--------------------------------------|---|---|
|                                      | ₹   | ₹   |
| Administrative Expenses              | 15,94,734   | 9,26,800  |
| Sitting Fees paid to Council Members | 3,00,000  | 80,000  |
| Facilities Management Expenses       | 4,13,295  | 3,53,990  |
| <b>Total</b>                         | <b>23,08,029</b>                                  | <b>13,60,790</b>                                  |

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

| Particulars   | For the Year Ended 31 <sup>st</sup> March 2025 |                    |                     |  |
|---|--|--------------------|---------------------|--|
|   | Learning                                       | Research           | Total               |  |
|   | ₹  | ₹                  | ₹                   |  |
| Administrative Expenses   | 25,60,994                                      | 29,39,561          | 55,00,555           |  |
| Program/Seminar/Conference Expenses   | 2,14,62,874                                    | 18,42,799          | 2,33,05,673         |  |
| Honorarium  | 18,31,398                                      | 18,60,000          | 36,91,398           |  |
| Data Service  | -  | 77,29,786          | 77,29,786           |  |
| Conference Registration Fees  | -  | 3,49,068           | 3,49,068            |  |
| Audio Visual Charges  | 10,90,918                                      | 3,69,100           | 14,60,018           |  |
| Printing and Stationery   | 6,34,786                                       | 99,960             | 7,34,746            |  |
| Professional Fees   | 4,73,600                                       | 97,860             | 5,71,460            |  |
| Salaries and Allowances*  | 2,42,76,956                                    | 6,79,40,680        | 9,22,17,636         |  |
| Travel and Stay Expenses (Visiting Faculty/Guest Faculty/Mentor/Researchers/Participants) | 5,40,101                                       | 1,02,00,289        | 1,07,40,390         |  |
| Travelling and Halting Expenses (staff)   | 12,61,356                                      | 19,92,234          | 32,53,590           |  |
| Website Maintenance Charges   | 10,67,897                                      | 10,67,897          | 21,35,794           |  |
| Foreign Exchange Loss   | 7,852  | 3,039              | 10,891              |  |
|   |  |                    |                     |  |
|   |  |                    |                     |  |
|   |  |                    |                     |  |
|   |  |                    |                     |  |
| <b>Total</b>  | <b>5,52,08,732</b>                             | <b>9,64,92,273</b> | <b>15,17,01,005</b> |  |

\* Salaries and Allowances includes remuneration to Director of Rs.94.10 Lakhs for FY 2024-25 (FY 2023-24 - Rs.84.97 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, 2025 and Income and Expenditure Account for the year ended 31st March, 2025.

#### 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.

Capital work in progress includes capital advances and is disclosed under Fixed Assets.

#### 4 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.

#### 5 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.

#### 6 Post-Retirement Benefits:

Provision for gratuity is made based on actuarial valuation, made at the end of each financial year based on the projected unit credit method in respect of all eligible employees. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. These actuarial gains and losses are immediately recognised in the statement of profit and loss as income or expense. When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognized immediately in the profit or loss account when the plan amendment or when a curtailment or settlement occurs.

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

#### 1. Contingent Liability:

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. A provision of Rs.1,96,23,416/- (Rupees One Crore Ninety Six Lakh(s) Twenty Three Thousand Four Hundred Sixteen Only) towards the Service Tax liability has been made in the books.

#### 2. Commitments on account of capital contracts

CAFRAL had entered into an agreement with REBIT to revamp CAFRAL's Website. The details of the capital commitment in this regard are as under:

| Sr.No. | Particulars                                 | 2024-25       | 2023-24 |
|--------|---|---------------|---------|
|        |   | Amount in Rs. |         |
| 1.     | Commitments on account of capital contracts | 42,65,299     | NIL     |

### 3. Related Party Disclosure :

I. Name of the related parties and description of relationship :

- i. Shri Shaktikanta Das, Chairman\*
- ii. Shri Sanjay Malhotra, Chairman@
- iii. Dr. Michael Debabrata Patra, Member#
- iv. Shri Swaminathan Janakiraman, Member
- v. Dr. Ravindra H. Dholakia, Member
- vi. Dr. Pami Dua, Member
- vii. Prof. Partha Ray, Member
- viii. Dr. Sajjid Z Chinoy, Member
- ix. Dr. N. R. Bhanumurthy, Member
- x. Shri Eugene E. Karthak, Member
- xi. Shri B. P. Kanungo, Director & Member^

\* Relinquished charge as Governor on December 10, 2024

@ Took charge as Governor on December 11, 2024

# Deputy Governor till January 14, 2025

^ Director and Member till March 31, 2025

II. Details of Related Parties transactions are as under:

| Particulars                           | Key Management Personnel |           |
|---------------------------------------|--------------------------|-----------|
|                                       | 2024-25                  | 2023-24   |
|                                       | ₹                        | ₹         |
| Remuneration                          | 94,10,089                | 84,96,531 |
| Sitting Fees                          | 4,00,000                 | 80,000    |
| Travel related expenses of GC Members | 6,50,999                 | 23,893    |

### 4. Employee Benefits Disclosure required under AS 15 (Revised) on "Employee Benefits"

The present value of obligation is determined based on actuarial valuation, by an independent Actuary, using the Projected Unit Credit Method, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan liability is the actuarial present value of the "projected accrued benefits" as of the beginning of the year for active members.

| 4.1: Funded status of the plan        |               |
|---------------------------------------|---------------|
| Particulars                           | 2024-25       |
|                                       | Amount in Rs. |
| Present value of unfunded obligations | -             |
| Present value of funded obligations   | 30,75,242     |
| Fair value of plan assets             | (30,39,876)   |
| Unrecognised Past Service Cost        | -             |
| Net Liability (Asset)                 | 35,366        |

| <b>4.2: Profit and loss account for the period</b>  |                   |
|---|-------------------|
| <b>Particulars</b>                                  | <b>2024-25</b>    |
|   | Amount in Rs.     |
| Current service cost                                | 3,79,644          |
| Interest on obligation                              | 1,84,353          |
| Expected return on plan assets                      | (1,339)           |
| Net actuarial loss/(gain)                           | (1,41,309)        |
| Recognised Past Service Cost-Vested                 | -                 |
| Recognised Past Service Cost-Unvested               | -                 |
| Loss/(gain) on curtailments and settlement          | -                 |
| <b>Total included in 'Employee Benefit Expense'</b> | <b>4,21,349</b>   |
| Loss/(gain) on obligation as per 4.3                | (1,41,309)        |
| Loss/(gain) on assets as per 4.4                    | -                 |
| <b>Net actuarial loss/(gain)</b>                    | <b>(1,41,309)</b> |

| <b>4.3: Reconciliation of defined benefit obligation</b>         |                  |
|--|------------------|
| <b>Particulars</b>   | <b>2024-25</b>   |
|  | Amount in Rs.    |
| Opening Defined Benefit Obligation                               | 26,52,554        |
| Transfer in/(out) obligation                                     | -                |
| Current service cost   | 3,79,644         |
| Interest cost  | 1,84,353         |
| Actuarial loss (gain)  | (1,41,309)       |
| Past service cost  | -                |
| Loss (gain) on curtailments                                      | -                |
| Liabilities extinguished on settlements                          | -                |
| Liabilities assumed in an amalgamation in the nature of purchase | -                |
| Exchange differences on foreign plans                            | -                |
| Benefit paid from fund   | -                |
| Benefits paid by company   | -                |
| <b>Closing Defined Benefit Obligation</b>                        | <b>30,75,242</b> |

| <b>4.4: Reconciliation of plan assets</b>                    |                  |
|--|------------------|
| <b>Particulars</b>   | <b>2024-25</b>   |
|  | Amount in Rs.    |
| Opening value of plan assets                                 | -                |
| Transfer in/(out) plan assets                                | -                |
| Expected return  | 1,339            |
| Actuarial gain/(loss)  | -                |
| Assets distributed on settlements                            | -                |
| Contributions by employer                                    | 30,38,537        |
| Contribution by employee                                     | -                |
| Assets acquired in an amalgamation in the nature of purchase |                  |
| Exchange differences on foreign plans                        | -                |
| Benefits paid  | -                |
| <b>Closing value of plan assets</b>                          | <b>30,39,876</b> |

The actual return on the assets is Rs. 1,339

| <b>4.5: Composition of the plan assets</b> |                |
|--|----------------|
| <b>Particulars</b>                         | <b>2024-25</b> |
|  | %              |
| Government of India Securities             | 0%             |
| State Government Securities                | 0%             |
| High quality corporate bonds               | 0%             |
| Equity shares of listed companies          | 0%             |
| Property                                   | 0%             |
| Special Deposit Scheme                     | 0%             |
| Policy of insurance                        | 3%             |
| Bank Balance                               | 97%            |
| Other Investments                          | 0%             |
| <b>Total</b>                               | <b>100%</b>    |

| <b>4.6: Reconciliation of net defined benefit liability</b> |                  |
|---|------------------|
| <b>Particulars</b>  | <b>2024-25</b>   |
|   | Amount in Rs.    |
| Net opening provision in books of accounts                  | 26,52,554        |
| Transfer in/(out) obligation                                | -                |
| Transfer (in)/out plan assets                               | -                |
| Employee Benefit Expense as per 4.2                         | 4,21,349         |
|   | <b>30,73,903</b> |
| Benefits paid by the Company                                | -                |
| Contributions to plan assets                                | (30,38,537)      |
| <b>Closing provision in books of accounts</b>               | <b>35,366</b>    |

| <b>4.7: Principle actuarial assumptions</b> |                           |
|---|---------------------------|
| <b>Particulars</b>                          | <b>2024-25</b>            |
| Discount Rate                               | 6.95% p.a.                |
| Expected Return on Plan Assets              | 6.95% p.a.                |
| Salary Growth Rate                          | 5.00% p.a.                |
| Withdrawal Rates                            | Age 25 & Below : 1 % p.a. |
|   | 25 to 35 : 1 % p.a.       |
|   | 35 to 45 : 1 % p.a.       |
|   | 45 to 55 : 1 % p.a.       |
|   | 55 & above : 1 % p.a.     |

| <b>4.8: Table of experience adjustments</b>                    |                   |
|--|-------------------|
| <b>Particulars</b>   | <b>2024-25</b>    |
|  | Amount in Rs.     |
| Defined Benefit Obligation                                     | 30,75,242         |
| Plan Assets  | 30,39,876         |
| Surplus/(Deficit)  | (35,366)          |
| Experience adjustments on plan liabilities                     | (1,41,309)        |
| Actuarial loss/(gain) due to change in financial assumptions   | -                 |
| Actuarial loss/ (gain) due to change in demographic assumption | -                 |
| Experience adjustments on plan assets                          | -                 |
| <b>Net actuarial loss/ (gain) for the year</b>                 | <b>(1,41,309)</b> |

*The Gratuity Trust has been incorporated with effect from October 01, 2024 and hence previous year's figures has not been given.*

**5. 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 23, 2025

Place: Mumbai  
Date: September 23, 2025





# ANNEXES

# Annex 1

## A. Published Papers during FY 2024-25 (April 1, 2024 - March 31, 2025)

1. **Multinational entry and exit, technology transfer, and international business cycles**  
**Author:** Dr. Gautham Udupa  
**Date:** September, 2024  
**Published:** Journal of Economic Dynamics and Control  
**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.
  
2. **Open Banking And Digital Payments: Implications For Credit Access**  
**Author:** Nirupama Kulkarni, Shashwat Alok, Pulak Ghosh and Manju Puri  
**Date:** December 9, 2024  
**Published:** CAFRAL Website  
**Abstract:**  
 Does the ability to generate verifiable digital financial histories, with customers having data-sharing rights, improve credit access? We answer this using India's launch of an Open-Banking based public digital payment infrastructure (UPI). Using rarely available data on the universe of consumer loans we show credit increases by both fintechs (new entrants) and banks (incumbents), on the intensive and extensive margin, including increased credit to subprime and new-to-credit customers. We show several mechanisms at play: low-cost internet improves credit access, lenders weigh in digital histories, and digital payments with Open Banking effectively complement first-time bank accounts enabling access to formal credit.
  
3. **Shadow Banks On The Rise: Evidence Across Market Segments**  
**Author:** Kim Fe Cramer, Pulak Ghosh, Nirupama Kulkarni and Nishant Vats  
**Date:** December 12, 2024  
**Published:** CAFRAL Website  
**Abstract:**  
 This paper examines the comparative advantages of shadow banks using novel credit bureau data on 653 million formal retail loans in India. Proxying credit demand shocks with weather variation, we show that Fintechs respond more than other lenders in uncollateralized markets. Conversely, non-Fintech shadow banks are more responsive in collateralized markets. Both show stronger responses for borrowers with low credit scores or no credit history. Exploiting the geographic heterogeneity in the adoption of digital payments technology we document the importance of technology for Fintechs. Leveraging four natural experiments across lenders, time, and products, we establish the importance of lax regulation and physical presence for non-Fintech shadow banks. Our results suggest that the dominant comparative advantages of shadow banks differ across market segments.
  
4. **Ignoring The Left Tail**  
**Author:** Kaushalendra Kishore and Nishant Ravi  
**Date:** December 23, 2024  
**Published:** CAFRAL Website  
**Abstract:**  
 This article studies a principal-agent problem with flexible information acquisition. The agent has to choose between investing in an innovative asset about which costly information can be acquired or in a conventional asset about which there is enough historical data and no information

is acquired. In the first-best problem, the principal acquires information about the entire distribution of cash flow from the innovative asset. Contrarily, in the second-best problem, less information is acquired about the left tail of the distribution compared to the first-best. The optimal contract of the agent when the innovative asset is chosen pays zero wage below a cutoff value of cash flow and an increasing wage above the cutoff. As a consequence, the information intensity is zero for these low cash flows where no wage is paid. This results in investment in even those assets that have a thick left tail and thus a high likelihood of failure ex post. Our paper explains why agents make investments without learning about the left tail of the distribution which in turn may lead to a financial crisis.

## 5. **A Quantitative Theory Of Installment Loans**

**Author:** Satyajit Chatterjee, FRB Philadelphia and Nirvana Mitra

**Date:** February 17, 2025

**Published:** CAFRAL Website

### **Abstract:**

We study a model of consumer debt where the only borrowing instruments are loan contracts with Equated Monthly Installments (EMIs). We calibrate the model to the contract particulars of loan-level administrative data from an Indian non-bank financial company. Indian households are infrequent borrowers and are more likely to stick to their payment schedule once they borrow. Our model accounts for most of these empirical regularities; it also finds a rationale for the ubiquitous presence of prepayment penalties in the EMI loan market. Pre-payment penalties mitigate the adverse selection of potential defaulters into the borrower pool by reducing incentives for the pre-payers to close a loan early, thereby improving welfare.

## 6. **Book Name: India in 2050: Visions for a Superpower**

**Chapter: 17, Visions for India in a Fragmented World Trade Order by Dr Sankalp Mathur**

**Date:** August 1st, 2024

**Published:** BluOne Ink

### **Book Abstract:**

India is expected to become a \$30 trillion+ economy by 2050. With a size like that it will be the world's second or third largest economic power, enjoying unprecedented influence over global affairs. This will also make India the third pillar of a tripolar world—the US and China being the other two. Will India seize the opportunity and assume leadership with responsibility? This book seeks to answer that. Besides becoming an economic and military superpower, it will also increasingly dominate in the culture sphere. India is already claiming its place in a new global order in the making, and in less than a decade, it will begin to assert itself globally in all realms of life. The book seeks to highlight these trends—spanning across society, government, diplomacy, economy, military, and culture—through the visions of leading Indian thinkers and public intellectuals who are considered experts in their chosen fields.

### **Chapter Abstract:**

In an era defined by protectionism, pandemics, and geopolitical fragmentation, the global trade order faces profound structural shifts. This chapter explores the evolution from hyper-globalization to a fractured world economy, highlighting both the vulnerabilities exposed by crises and the enduring promise of open trade. Against this backdrop, it examines India's unique position: the opportunities arising from global supply chain reallocation, the pitfalls of an overemphasis on manufacturing, and the untapped potential in services, innovation, and human capital. The argument advances that India's path to global leadership lies not in imitating industrial models of the past but in harnessing its demographic dividend, strengthening education and health systems, and fostering environments that fuel creativity and knowledge-based industries. Ultimately, the chapter offers a vision for India to shape the rules of a multipolar, interconnected world by anchoring growth in inclusivity, resilience, and democratic values.

## B. Working Papers on CAFRAL Website during FY 2024-25

(April 1, 2024 - March 31, 2025)

1. **Food, Fuel and Facts: Distributional Impact of External Shocks**  
**Author:** Dr. Gautham Udupa (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.
  
2. **Do Rural Roads Promote Inclusive Entrepreneurship?**  
**Author:** Dr. Vidhya Soundararajan (with Ananyo Brahma)  
**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
  
3. **Implementation of Labor Laws and Informality**  
**Author:** Dr. Vidhya Soundararajan (with Ritam Chaurey and Gaurav Chiplunkar)  
**Abstract:**  
 We present causal evidence on how employment protection legislations (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, 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
  
4. **Bank Entry New Loans and Misallocation**  
**Author:** Dr. Nirvana Mitra (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.

## 5. **Markup Heterogeneity, Openness, and the Pro-Competitive Gains from Trade Across Countries**

**Author:** Dr. Sankalp Mathur (with Hamid Firooz and Gunnar Heins)

### **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.

## C. Bi-monthly Seminars during FY 2024-25

(April 1, 2024 - March 31, 2025)

1. **Does Open Banking expand credit access**  
**Presenter:** Dr. Nirupama Kulkarni  
**Discussant:** Mr. Abheek Barua, Chief Economist and Senior Vice President of HDFC Bank  
**Date:** May 31, 2024  
**Abstract:** We use the launch of zero-cost digital payment infrastructure in India, namely Unified Payment Interface (UPI), in 2016 as a natural experiment to investigate the impact of open banking on credit access. UPI enabled real-time zero-cost creation of a verifiable digital financial history for all. We obtain several unique and proprietary data sets, including rich credit bureau data on the universe of consumer loans, UPI transactions at the pin-code level, and loan-level information from one of the largest fintech lenders. Exploiting time variation in the adoption of UPI by banks with the highest local deposit share as a source of exogenous variation in UPI usage in a difference-in-differences empirical design, we document a significant increase in consumer credit by banks, shadow banks, and fintechs. Consistent with financial inclusion, the credit increases to subprime and new-to-credit customers. Notably, the credit increase for new to credit customers is led by fintech lenders, especially in ex-ante financially excluded regions. An alternate empirical design using the launch of a major mobile phone operator that considerably reduced internet data costs confirms these findings. Overall, these findings underscore that digital payments complement savings bank account-oriented financial inclusion programs in expanding credit access and inform the policy discussion on open banking's impact.
2. **Deposit Franchise of State-Owned Banks**  
**Presenter:** Dr. Nirupama Kulkarni  
**Discussant:** Dr. Pallavi Chavan, Director of Department of Economic and Policy Research (DEPR) at the Reserve Bank of India  
**Date:** April 5, 2024  
**Abstract:** Deposit franchise allows banks to pay deposit rates that are low and insensitive to market interest rates. This paper documents a distinct source of deposit franchise in banking systems with significant state ownership. Using India as the setting, we show that the deposit franchise of private sector banks comes from their deposit market concentration, whereas the deposit franchise of state-owned banks comes from their implicit and explicit government guarantees and programs that ensure a captive depositor base. However, maintaining this deposit base involves significant sunk costs, which has asset-side implications. To hedge against interest rate risk arising from the high fixed costs, banks with strong deposit franchises reduce the sensitivity of their interest income to market rates by holding longer-term fixed-rate assets.
3. **Career Incentives And Employee Productivity In State-Owned Enterprises: Evidence From India**  
**Presenter:** Dr. Kaushalendra Kishore  
**Discussant:** Dr. Tirthankar Patnaik, Chief Economist at the National Stock Exchange (NSE), Mumbai  
**Date:** April 5, 2024  
**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.
4. **Markup Heterogeneity, Openness, and the Pro-Competitive Gains from Trade across Countries**  
**Presenter:** Dr. Sankalp Mathur  
**Discussant:** Deepak Mishra is the Director and Chief Executive of the Indian Council for Research on International Economic Relations (ICRIER).  
**Date:** August 29th, 2024  
**Abstract:** We study how markups and their responsiveness to market shares vary across sectors and countries and how this variation affects the welfare implications of tariffs. Our multi-country, multi-sector model includes sector- and country-specific demand elasticities, variability of markups based on competition, and cross-sector-country differences in firm sizes, productivity, and trade costs. We find that trade-induced changes in welfare and misallocation are positively and negatively related to changes in aggregate markups, respectively. Cross-country variations in the pro-competitive gains from trade depend on import shares and markup variability on imports.

versus exports. These gains are often negative, except in relatively closed economies

5. **Climate Change and Food Inflation in India**

**Presenter:** Dr. Sankalp Mathur

**Discussant:** Dr. Rupa Rege Nitsure, Group Chief Economist, L&T Finance Ltd.

**Date:** November 13, 2024

**Abstract:** In the past four years, 57% of the months in India experienced food inflation exceeding 6%. As India encounters extreme temperatures, heat waves, and droughts driven by climate change, food inflation is likely to become a persistent and endemic challenge. The paper examines the cascading effects of extreme temperature days on food inflation across different levels of the supply chain. We utilize monthly price data from 2589 agricultural markets and 486 wholesale and retail centers, with grid level satellite data on temperature and other climate variables. The results indicate that a one-day increase in extreme temperature leads to a 0.67% increase in year-on-year inflation at agricultural markets, a 0.39% increase at wholesale markets and a 0.43% increase at the retail markets. These findings highlight the critical role of climate change in driving food inflation and provide important insights for monetary policy in addressing the inflation risks associated with climate change

6. **Small Scale Production Dereservation and Product Quality**

**Presenter:** Dr. Vidhya Soundararajan

**Discussant:** Dr. Satadru Das, Manager, Strategic Research Unit, Reserve Bank of India

**Date:** November 13, 2024

**Abstract:** Product quality is an important marker of economic growth and development. This paper studies the impact of dismantling product reservation for small-scale industry production on product quality. Exploiting Indian government's phased dereservation of previously reserved products, we find that dereservation incentivized incumbent firms to produce better quality products. Large firms that improved the quality after dereservation also experienced an increase in capital intensity and skill intensity. Furthermore, these firms experienced higher marginal costs of production and raised markups on dereserved products.

7. **Financial Repression, Deposit Rate Deregulation, and Bank Market Power**

**Presenter:** Dr. Nirupama Kulkarni

**Discussant:** Mr. Vivek Kaul, Writer/Author, The Economist, Wall Street Journal, and the BBC

**Date:** February 13, 2025

**Abstract:** Mandating low deposit rates, a form of financial repression, allows banks to raise deposits cheaply and makes investment in government securities profitable but limits credit access. Using regulatory data, we exploit India's 2011 deregulation of savings deposit rates to show that deposit rates increase after deregulation, more so for banks with low market power; consequently, deposits increase, and deposit maturity contracts. These banks shift from low-yielding government securities to loans, and loan maturity shortens. Credit to households and firms increases. A structural model demonstrates that high-market power banks restrain deposit growth. Deregulation improves financial intermediation, but market power limits gains.

#### D. External Presentations by CAFRAL Researchers

1. Dr. Vidhya Soundararajan presented the paper “Do rural roads lead to inclusive entrepreneurship” at the Ashoka University, Sonapat on April 17, 2024.
2. Dr. Yogeshwar Bharat presented his paper “Asset-side Implications of Banks’ Funding Costs” at the Delhi School of Economics on April 18, 2024
3. 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
4. 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.
5. 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
6. Dr. Nirvana Mitra presented his paper on “Bank Entry, New Loans, and Misallocation” at the ABLE Workshop at IIM Ahmedabad (jointly hosted by IIM-A, IIM-Bangalore and Lancaster University, UK) on July 8-9, 2024
7. Dr. Kaushalendra Kishore presented his paper “Innovation and Crises” at the Delhi School of Economics on 2nd August, 2024
8. Dr. Vidhya Soundararajan presented her paper “Do Rural Roads promote inclusive entrepreneurship?” at the Indian Institute of Management (IIM), Calcutta on August 2, 2024
9. Dr. Nirupama Kulkarni presented her paper, co-authored with Dr. Yogeshwar Bharat, “Financial Repression, Deposit Rate Deregulation, and Bank Market Power,” at the IIMC-NYU Stern India Research Conference on October 4, 2024
10. Dr. Gautham Udupa presented his paper titled “Desirability of Competition in Currency of Invoicing” at the 19th Annual Conference on Economic Growth and Development, organised at the Indian Statistical Institute, Delhi, on December 19-21, 2024.
11. Dr. Vidhya Soundararajan presented her paper titled “Public Works, Labor Supply, and Monopsony” 19th Annual Conference on Economic Growth and Development, organised at the Indian Statistical Institute, Delhi, on December 19-21, 2024
12. Dr. Nirvana Mitra presented a paper titled “A Quantitative Theory of Instalment Loans” at the European Winter Meetings of the Econometric Society, Palma de Mallorca, Spain on December 16-18, 2024.
13. Dr. Gautham Udupa presented his paper titled “Desirability of Competition in Currency of Invoicing” at the 4th Annual Macroeconomics Conference organised at the Shiv Nadar University, Delhi, on January 17-18, 2025.
14. Dr. Yogeshwar Bharat presented a paper titled “Financial Repression, Deposit Rate Deregulation, and Bank Market Power,” at the 4th Annual Macroeconomics conference at Shiv Nadar University on January 18, 2025
15. Dr. Vidhya Soundararajan presented her paper titled “Do rural roads promote inclusive entrepreneurship” at the Indian Statistical Institute, Kolkata on February 26, 2025.
16. Dr. Sankalp Mathur presented his paper titled “Markup Heterogeneity, Competition and the Pro-Competitive Gains from Trade” at the Economics Exchange Conference at Ashoka University on March 1, 2025

17. Dr. Vidhya Soundararajan presented her paper titled “Removing Small-Scale Reservations and Quality Upgradation: Evidence from India” at the PacDev Conference in Los Angeles, USA organized by University of California LA and the University of Southern California on March 8, 2025.
18. Dr. Nirupama Kulkarni presented her paper titled “Open Payment Systems and Retail Market Access” at the CAFRAL ISB Joint Conference at ISB, Mohali on March 20, 2025.

**E. Seminars/Webinars**

1. “Her Ghar” and Financial Decision Making by Women” by Dr. Anand Srinivasan, National University of Singapore, on April 3, 2024
2. “Do Mandatory Disclosures Squeeze the Lemons? The Case of Housing Markets” by Dr. Sahil Gandhi, University of Manchester on April 4, 2024
3. “Federal Reserve Speeches and Sovereign Credit Risk,” by Dr. Jalaj Pathak from Indian Institute of Management, Lucknow on May 2, 2024
4. “World Economic Outlook” (chapters 1, 2 and 4) by Dr. Mehdi Benatiya Andaloussi & Dr. Nicolas Fernandez-Arias from the International Monetary Fund, Washington DC on May 7, 2024.
5. “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
6. 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
7. 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
8. Prof. VV Chari from the University of Minnesota presented his research paper “Taxing the Rich” at CAFRAL on August 21, 2024
9. Prof. Sonalde Desai, Professor and Center Director at the National Council of Applied Economic Research (NCAER) – National Data Innovation Center, New Delhi and Professor at the University of Maryland presented her research paper “Rethinking Social Safety Nets in a Changing Society” at CAFRAL on October 10, 2024.
10. Prof. Partha Chatterjee, Professor at the Shiv Nadar University presented his research paper “Low Labor Force Participation in Emerging Economies: The Role of Macroeconomic Shocks and Intra-Household Dynamics” at CAFRAL on November 14, 2024
11. Dr. Abhishek Bhardwaj, Assistant Professor at Tulane University presented his paper through a webinar on “How Does Bank Lending To Non-Banks Affect Credit Allocation And Systemic Risk” at CAFRAL on November 21, 2024
12. Prof. Manju Puri, Professor at the Fuqua School of Business, Duke University presented her paper “From Competitors to Partners: Banks’ Venture Investments in Fintech” at CAFRAL on December 2nd, 2024
13. Dr. Sergey Sarkisyan, Assistant Professor at the Fisher School of Business, the Ohio State University presented his paper “Digital Payments and Monetary Policy Transmission” through a virtual seminar at CAFRAL on December 6th, 2024.
14. Prof. Alok Johri, Professor at the McMaster University presented his paper on “Trade, foreign cash-in-advance constraints and default cost” at CAFRAL on December 9th, 2024.
15. Dr. Deeksha Gupta, Assistant Professor at the Carey Business School at The John Hopkins University presented her paper “Dynamic Green Disclosure Requirements” at CAFRAL on December 11th, 2024.
16. Emanuela Benincasa from the University of Zurich presented her paper “The Social Effects of Bank Deserts” at CAFRAL on December 16th, 2024.
17. Dr. Mrinal Mishra, Assistant Professor at the University of Melbourne presented his paper “The impact of the American Dream narrative on business creation” at CAFRAL on December 17th, 2024.

18. Dr. Sangeeta Pratap, Associate Professor at the City University of New York presented her paper “Relationship Lending: Characteristics and Real Effects” at CAFRAL on January 7th, 2025.
19. Vedant Agarwal from Center for Monetary and Financial Studies (CEMFI), Spain presented his paper “Optimal Deposit Insurance in a macroeconomic model with runs” at CAFRAL on January 20th, 2025
20. Khusboo Thakkar from the University of North Carolina presented her paper “Trade Credit under a Pro-Creditor Bankruptcy Regime” at CAFRAL on January 21st, 2025
21. Amol Amol from the University of Minnesota presented his paper “Ramsey taxation under endogenous financial frictions” at CAFRAL on January 29th, 2025
22. Dr. Ranjeeta Mishra from the Reserve Bank of India presented her paper “The Impact of Costs on Inward Remittances: Leveraging Digitisation to Bring Costs Down” at CAFRAL on January 29th, 2025
23. Anindo Sarkar from the University of California, San Diego presented his paper “Monetary Policy, Price of Risk, and Growth” at CAFRAL on January 30th, 2025.
24. Prof. Rohini Somanathan, Professor at the Delhi School of Economics presented her paper “Nudging Marriage Norms through Cash Transfers” at CAFRAL on January 30th, 2025.
25. “War and Transnational Reshoring”, Dr. Anindya Chakraborty, IIM Ahmedabad, February 4th, 2025
26. “Firm Dynamics, Geographic Expansion, and Local Competition” Ms. Anubha Agarwal, University of Toronto, February 11th 2025.
27. “A Theory of Domestic Outsourcing: Search and Sorting in Skilled Services”, Dr. Sujan Bandopadhyay, Arizona State University, February 17th, 2025.
28. “Conflicts and Consumption”, Dr. Rohan Gudibande, Krea University, February 20th, 2025.

# Annex 2

## Learning programs during FY 2024-25 (April 1, 2024 - March 31, 2025)

### 1. Conference of Treasury Heads- Emerging Trends

**Date** April 24, 2024

**Coverage** Emerging Contours in Financial Markets - Regulatory Perspective; Retailing of G-Sec & Forex Market – Opportunities & Concerns; Bond Market – Impact of IGBs in Global Bond Indices; NDF Market and INR Off-shore Markets – Emerging Trends; Impact of Revised Classification and Valuation of Investment Portfolio by Commercial Banks; Internationalization of Rupee – Opportunities & Challenges; Interest Rate Risk in the Banking Book.

#### Takeaways

The conference provided an insightful platform for discussions on various financial market operations and regulatory perspectives. The regulator's openness to introducing new products and enhancing transparency and cost-efficiency for retail customers was emphasized. The conference also provided clarity on revised investment guidelines and emphasized the need to popularize forex retail and Retail Direct to increase market participants, while also highlighting the benefits of understanding NDF markets and the internationalization of the INR. Overall, it provided valuable insights into recent market and regulatory developments, ensuring participants have updated knowledge and expert views.

### 2. Virtual Conference of Ombudsmen

**Date** April 26, 2024

**Coverage** Issues in Customer Services and Protection: Regulatory Expectations; Institutional Framework for Grievance Redressal: Role and Future Road map for Ombudsmen; Role of Technology Tools for Enhanced Customer Services and Protection: Emerging Trends; Significance of Financial Education of Customers: A Demand Side Challenge and Business Impact; Enhanced Grievance Redressal Mechanism: Experience Sharing; Emerging Trends in Customer Complaints & Redressal: Internal Ombudsman Perspective.

#### Takeaways

The VC provided an opportunity to the Ombudsmen to develop an understanding of the Banking Ombudsman Scheme, gain an understanding of their role & responsibilities and gain valuable insight by listening to the experienced professionals on customer service, grievance redressal and protection. Emphasizing the importance of treating customers with fairness and empathy, the VC highlighted the critical issue of digital fraud. It offered an updated perspective on the Banking Ombudsman Scheme, detailing the regulator's expectations and the challenges faced by Internal Ombudsmen (IOs). Additionally, the VC updated the participants on the latest policy / developments in the areas of customer complaint redressal and regulatory measures while also highlighting the way forward.

### 3. Conference of Chief Compliance Officers

**Date** May 15-16, 2024

**Coverage** Compliance in Banks and Regulatory Expectations; Risk Assessment under Risk Based Supervision; Robust Governance, Risk & Compliance Framework - Emerging Trends; Significance of Internal Audit in Compliance Functions; Compliance with FEMA & RBI Regulations – Forex, Investment & Trade Transactions; Issues in Consumer Protection - Managing Customer Complaints & Grievance Redressal; Enforcement Action by RBI for Non-Compliance – An Overview; Compliance with Capital Market Regulations; Compliance by Banks with Key Legal Provisions; Cyber Security and Compliance Issues

#### Takeaways

The conference served as an excellent platform that provided inputs from the RBI on various

aspects of regulation, supervision and enforcement which forms a critical basis for the functioning of the compliance officers. It also addressed the various aspects of compliance that the CCOs should be aware of and provided a comprehensive understanding of regulations directly from the Regulator. The conference underscored the importance of Governance, Risk, and Compliance (GRC) functions in banks and also highlighted the compliance requirements of SEBI. Key takeaways from the conference included insights into current trends and challenges in compliance, critical compliance perspectives besides the evolving role and expectations of Chief Compliance Officers (CCOs). It also provided networking opportunities to the CCOs representing various organizations. Additionally, the conference while offering insights into various aspects of legal compliance, significance of the Enforcement Directorate of the RBI, handling of customer complaints / services and redressal mechanisms, assisted the CCOs in making them aware of criticality of their role & responsibilities. Interactions with senior functionaries from RBI and SEBI, as well as peer compliance personnel, further enriched the experience.

#### **4. Program on Emerging Trends in Cyber Attacks, Response Management and Digital Forensics**

**Date** May 22, 2024

**Coverage** Cyber Risk Management: Regulatory Expectations; Digital Forensic Audit: Processes, Techniques, Tools and Approaches; Cyber Security, Threat Landscape & Incident Management at Banks; Managing Cyber Risk: Audit Perspective & Approach; Cyber Crimes & Frauds: Identifying the vulnerabilities & improving Controls with Live Cases; De-mystifying Cyber Risk

##### **Takeaways**

The Program on Emerging Trends in Cyber Attacks, Response Management and Digital Forensics provided an in-depth understanding the importance of Cyber Risk and way forward of how to manage them effectively. Experts discussed the future of cyber-technology, probable threats, and the latest trends in managing cyber-attacks, digital forensics, IS Audit and overall preparedness. Speakers emphasized the necessity for banks and FIs to adopt robust risk control measures as they integrate more technology into their operations. The need for continuous resilience building was underscored. An engaging session on cyber-crimes and frauds provided insights into current cyber risks and the application of artificial intelligence and machine learning (AI/ML) to counter these threats. Use of digital forensics to do a root cause analysis and fraud investigation was highlighted as a critical tool. It provided additional knowledge and actionable insights for banks and FIs to enhance their cyber risk management strategies and meeting the regulatory expectations. The sessions were highly engaging and informative, equipping attendees with the necessary tools to bolster their cyber security measures.

#### **5. Virtual Program for NBFCs and HFCs on Governance and Risk Management**

**Date** May 28, 2024

**Coverage** Topics covered were Risk Management and Governance Function of NBFCs and HFCs – Challenges and Expectations; Strengthening Internal Control & Compliance - Building a Compliance Culture and Monitoring Compliance Risk; Risk Management in NBFCs and HFCs with particular reference to ALM and Liquidity Risk; IT Governance, Risks, Controls and Assurance; Ethical Performance and Value Oriented Decision-making; Issues in the NBFC sector: Resilience and Impact on the Financial System – Experience Sharing.

##### **Takeaways**

The VP provided valuable insights into the governance and management of risk, emphasizing regulatory expectations and concerns. It discussed risk management practices that should be adopted by NBFCs and HFCs, and also deliberated on the RBI's expectations from these entities. Additionally, the VP highlighted the importance of maintaining a strong compliance culture while adhering to ethical business practices.

#### **6. Virtual Conference of Chief Financial Officers: Emerging Trends and Dimensions**

**Date** June 07, 2024

**Coverage** 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.

**Takeaways**

The conference provided a comprehensive overview of the changed expectations and deliverables from CFOs, including the use of AI tools for analysis and regulatory expectations. Emerging issues such as ESG and AI were thoroughly discussed, making the session very good, informative, and useful. All the sessions were appropriate and found extremely useful, offering practical insights and a comprehensive understanding of the subjects covered. All the speakers could bring out clearly the emerging role of CFOs.

**7. Virtual Program on Customer Education and Protection: Emerging Roles and Responsibilities**

**Date** June 12, 2024

**Coverage** 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; Experience Sharing

**Takeaways**

The program emphasized the need to ensure high standards of customer service, providing broad insights into the institutional and technological frameworks made available by the regulator. It broadened the understanding of customer service, grievance redressal mechanisms, and the critical role of root cause analysis in reducing consumer complaints. It effectively highlighted the changing dynamics in the banking sector, the importance of ensuring that no mis-selling occurs, and that fees and charges levied are clearly communicated and transparent. It also stressed the importance of proper training for staff at all levels, particularly at customer touchpoints. The structured and informative sessions, led by expert speakers, provided comprehensive insights into consumer protection and education, making them highly relevant and beneficial. The evolving landscape of customer service, driven by innovative technologies, emphasizes the need for enhanced safety, security, and protection of customer interests, which was discussed at length.

**8. Virtual Program on Risk Management for Directors on Boards of NBFCs**

**Date** June 28, 2024

**Coverage** 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 Enterprisewide 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.

**Takeaways**

The virtual program provided an in-depth overview of regulatory aspects and expectations for NBFC lending, highlighting the critical role of compliance in the financial sector. Participants gained a comprehensive understanding of the various responsibilities of an Independent Director, essential for maintaining governance standards. The program also offered highly insightful learnings from case studies, expectations by the regulator and the responsibilities of the directors, enabling them to efficiently navigate regulatory challenges. Additionally, the program also made the directors aware of the importance of having strong internal controls, provided a 360-degree perspective on Risk Management and the critical role played by the Directors.

## 9. Virtual Program on Fintech and Advanced Technologies in Financial Intermediation

**Date** July 12, 2024

**Coverage** 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.

### Takeaways

The VP provided a comprehensive understanding of the regulatory perspectives and guidelines for Fintech adoption, delving into the technologies driving the sector, including AI and ML. Participants gained valuable insights into the Fintech ecosystem, the progress within the industry, and key initiatives taken by the RBI including setting up of the RBIH, the Regulatory Sandbox and the Digital Infrastructure. It emphasized the importance of innovation and security coexisting in the New Age Banking. The session also addressed the regulatory landscape, the role of Fintech in financial inclusion, and the associated risks and benefits, making it a highly informative experience for those involved in the FinTech and banking industry.

## 10. Program on Know Your Customer (KYC) and Anti Money Laundering (AML)

**Date** July 25-26, 2024

**Coverage** 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 (TBML) ; Leveraging Advanced Technologies (ATs) for AML & KYC Compliance.

### Takeaways

The program provided valuable insights into regulatory expectations, issues and the trends in the financial sector, with a particular focus on KYC and AML. It covered supervisory observations, the role of CERSAI in KYC, and the analytical perspective of the FIU-IND on trade-based money laundering. The sessions highlighted the importance of monitoring transactions, assessing ReKYC, and the significance of the regulator's emphasis on KYC and AML. The discussions on regulatory observations, compliance failures, and CERSAI's role were particularly enlightening, offering clarity on AML, cyber-crime, and transaction monitoring processes. The speakers shared extensive knowledge and real-time examples, enhancing the understanding of RBI focus areas and the risk-based approach to compliance.

## 11. Virtual Conference of Chief Economists

**Date** July 30, 2024

**Coverage** 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.

### Takeaways

The virtual conference provided valuable insights into the emerging economic landscape, offering a balanced mix of current economic standings and emerging issues. Key takeaways included discussions on the fintech journey, the future of digital currencies, and the globalization of the rupee. The sessions covered critical topics such as managing climate change risk and sustainable finance for financial stability, the opportunities and risks associated with Central Bank Digital Currency in macroeconomic policy, and how fintech is transforming the banking landscape. The conference was

an enriching experience, shedding light on the complexities and opportunities in today's rapidly evolving financial world.

## 12. Program for Non-Executive Chairman and Directors on boards of Banks, FIs and NBFCs

**Date** August 21-22, 2024

**Coverage** 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.

### Takeaways

The program provided valuable insights, particularly on recent trends in banking, making them highly engaging. Key takeaways focused on improving board efficiency through better governance, understanding the roles and responsibilities of directors, and staying updated on emerging challenges such as technology and ESG issues. The role of Independent Directors (IDs) was emphasized, especially in corporate governance, risk, and compliance. The importance of active participation in board and committee meetings, asking relevant questions, and keeping a good oversight with emphasis on compliance and governance were highlighted.

## 13. Program on Financial Frauds and Forensic Audit

**Date** August 26-27, 2024

**Coverage** 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.

### Takeaways

The program provided valuable insights into the emerging challenges in cyber-crime and financial frauds, emphasizing the importance of proactive measures. Participants were introduced to new dimensions of the fraud risk framework, refreshing their understanding of loan fraud mitigation strategies. A significant focus was placed on forensic audits, particularly enhancing knowledge related to recent RBI circulars. Choosing appropriate Early Warning Signals (EWS) tailored to organizational needs was highlighted, along with the growing role of AI tools in customizing fraud detection and prevention systems. Emphasis was laid on conducting thorough due diligence from the initial stages to mitigate risks effectively. The program also demonstrated how to use early warning signals to avoid financial frauds and stressed the need for heightened vigilance from bankers. Discussions on the use of Artificial Intelligence in fraud risk management, evidence collection, record maintenance, and legal resolutions provided practical insights for participants.

## 14. Conference of Chief Risk Officers and Heads of Risk Management, Risk Leaders in VUCA World

**Date** August 29-30, 2024

**Coverage** Risk Appetite & Strategic Planning; Impact of Artificial Intelligence in the 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 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; Experience Sharing by Participants.

**Takeaways:**

The program provided valuable insights on Regulatory expectations from Chief Risk Officers (CROs) which are becoming increasingly complex, with many new emerging areas viz Model Risk Management, Cyber risk, Climate Risk, Data Protection & Privacy and other non-financial risks. The sessions were particularly insightful, covering critical aspects like the DPDP Act and risk resilience. The program emphasized the need for risk professionals to stay proactive, engage in continuous skill development, and implement best practices in risk management. The importance of linking risk management with business growth and ensuring that discussions happen at all levels—from top management to branch staff—was underscored. The program also discussed the dynamic and ever-evolving environment of the financial sector, Regulatory observations and expectations along with the need of the risk professionals to continuously adapt and build an appropriate risk culture in the organization.

**15. Program on Credit Risk Management**

**Date** September 11-12, 2024

**Coverage** 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 (DL) And Co-Lending Structures; Embedding Climate Risk In Lending Decisions; Early Warning Signals and Monitoring of Credit Portfolio ; Experience Sharing.

**Takeaways:**

The program offered a comprehensive wrap-up and review of major credit risk aspects within the Indian banking system, providing participants with an in-depth understanding of evolving risks and mitigation strategies. A pragmatic perspective on risk-based pricing was explored, highlighting the growing significance of ESG (Environmental, Social, and Governance) factors and their implications for the future of risk management. Key learnings from the program included insights on Expected Credit Loss (ECL), infrastructure funding, model risk management, and risk-based pricing, digital lending & co-lending structures, Portfolio & stress testing, importance of evolving an EWS & continuous monitoring of the portfolio, alongside climate risk integration. These topics collectively enriched participants’ understanding of credit risk principles, evaluation, measurement, and monitoring. The sessions provided valuable management perspectives on the challenges and issues surrounding credit risk, delivering thought-provoking discussions and practical insights.

**16. Program on Risk Management for senior officers of City Union Bank Ltd.**

**Date** September 18, 2024

**Coverage** Present Banking Scenario & Its Challenges: Regulatory Perspective; An overview of Risk Management: Concept of Risk Appetite & Development of a Risk Framework; Market Risk Management, Understanding Bond & Securities Market: Concepts and Processes; Derivative Products & Tools for Hedging Risks and Balance Sheet Management; Governance, Measurement and Management of Interest Rate Risk in Banking Book; Asset Liability Management: Issues and Concerns.

**Takeaways:**

The program outlined the present banking scenario and its challenges from the regulatory perspective, apart from the need for a vibrant risk management function for the sustainable growth of the bank. It introduced participants to the concept of Risk Appetite and the development of a comprehensive Risk Framework, essential for guiding decision-making in uncertain environments. A session on market risk management provided an introduction to the bond market and various financial instruments. Derivative products and tools for hedging risks and balance sheet management such as Overnight Index Swaps (OIS) were explored in detail, along with topics such as Asset Liability Management (ALM), ALCO (Asset-Liability Committee) processes, mismatch risk, and interest rate risk in the banking book.

### **17. Virtual Program on Developments in Financial Market: Trends and Challenges**

**Date** September 20, 2024

**Coverage** 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 (Gov Bonds, SDLs & Corporate Bonds).

#### **Takeaways:**

The program provided an insightful exploration of the critical role played by the Central Bank in managing market volatility and preserving financial stability. A key highlight was the discussion on the internationalization of the Rupee and Rupee trade, which offered valuable perspectives on India's evolving position in the global economy. The sessions on managing market and operational risks in treasury management were particularly relevant, offering a comprehensive overview of the Indian financial market. The program delved into macroeconomic developments and their relationship with market dynamics, with participants benefiting from presentations delivered by the regulator. Key takeaways included the importance of maintaining consistency in profitability from treasury operations as highlighted and the challenges of rupee internationalization as discussed by the esteemed speakers.

### **18. Program on Compliance for Officers of Banks, FIs and NBFCs**

**Date** September 24-25, 2024

**Coverage** 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.

#### **Takeaways:**

This program provided a comprehensive 360-degree view for compliance officers, focusing on aligning governance, risk management, and regulatory reporting as per international standards and also outlining the regulators expectations. Participants gained insights into the critical role of the compliance officer/function in ensuring organizational adherence to regulatory frameworks. The importance of addressing compliance breaches and maintaining robust compliance systems was under scored, along with the value of learning from industry best practices. The program emphasized the proactive nature of compliance, encouraging participants to foster a culture of compliance across their organizations. Key issues covered included compliance issues in consumer protection & customer complaints and grievance handling, as well as compliance with FEMA and RBI regulations related to foreign exchange, investment, and trade transactions, Compliance against Financial Crime, importance of transaction monitoring etc. Participants also gained a deeper understanding of the accountability and enforcement aspects of compliance.

### **19. CAFRAL Advanced Leadership Program (CALP)**

**Date** October 4 to 11, 2024

**Coverage** The Indian leg covered topics such as Global Macro-Financial Trends and Policy Issues; Impact of Leadership on Corporate Governance: Key Challenges and Emerging Issues; Machine Learning and AI - Implications of Advanced Technologies for Financial Intermediation; Future of Financial Services & Significance of Business Analytics; Cyber Security Challenges for Banks; Capital Markets, Fixed Income & Securities Market – Evolving need of Sustainable Investment; Risk Management and Emerging Opportunities in Banks. The foreign leg covered topics such as Global Financial Markets; Leadership & EI; Trends and Forces Shaping Financial Markets; Governance and Uncertainty Management; Technological Innovation (AI, Quantum Computing); Equity Market Structure; Fixed Income Securities; AI Applications and the Future of Financial Services; Business Analytics for Decision-Making in Banking; Bank Risk Management: How to evaluate credit risk; ESG Reporting Risk.

**Takeaways:**

The program provided an enriching experience, delivering critical insights and actionable takeaways for senior managers in the banking and financial sector. Participants gained a comprehensive understanding of leadership roles, challenges, and responsibilities, coupled with exposure to global trends in financial systems, particularly comparing Indian, US and global practices. Key discussions on cybersecurity, data analytics, and the adoption of emerging technologies such as AI and ML highlighted their transformative potential in driving business efficiency and risk mitigation. Topics like ESG as a critical risk area, enhanced compliance, corporate governance, and policy issues in the evolving macroeconomic landscape resonated deeply. The emphasis on recent trends in the Indian banking system, the global capital markets, and frameworks for financial security and risk management added substantial value. The program also delved into the HR perspective, leadership skills, and the evolving role of CEOs in navigating new business use cases within the prevailing economic environment. Overall, it served as a vital platform for knowledge-sharing and skill enhancement, equipping senior managers with strategies to address future challenges effectively.

**20. Virtual Program on Cyber Risk and Resilience**

**Date** October 17, 2024

**Coverage** Cyber Risk & Resilience: Emerging Threats and Regulatory Expectations; Impact of Emerging Technologies such as AI/ML and Cloud on Cybersecurity; Responding and Managing Cyber Attack: Cyber Crisis Management Plan; Cybercrime and Trends-New Tools for Combat: Developing A Robust Threat; Intelligence & Resilience Build Up; Data Protection and Privacy: Cyber Risk; Managing Cyber Risk: Audit Perspective & Approach.

**Takeaways:**

The virtual program provided a comprehensive overview of emerging threats and a deep dive into the Digital Personal Data Protection (DPDP) landscape. Participants gained a well-rounded understanding of new technology trends, cyber risks, and the cyber resilience framework, which was highly insightful. Highlights included excellent insights into AI and ML technologies, the importance of privacy management programs, and the evolving role of audit within compliance. The discussion on regulatory compliance requirements and best practices was particularly informative. The program emphasized on the positive impact of audit on organizational reputation, while also addressing challenges with AI/ML implementation and adapting international models to the Indian market.

**21. Virtual Learning Program for Company Secretaries and Secretaries to the Boards of Banks, NBFCs & Financial Institutions**

**Date** October 29, 2024

**Coverage** Corporate Governance: Role of Company Secretaries in the Emerging Financial Landscape; Expectations from Company Secretary/ Secretaries to the Boards: By Chairpersons & Independent Directors; Corporate Governance & Capital Market Regulation: Role of Company Secretaries; Board Meetings & Governance functions: Digital transformation; Secretarial Standards: Implementation Challenges; Secretarial Audits & Compliance.

**Takeaways:**

The program highlighted the pivotal role of a Company Secretary in ensuring robust corporate governance, particularly in the present age of heightened regulatory scrutiny and today's digital age. It offered valuable insights into regulatory requirements, secretarial standards, secretarial audits and best practices, benefiting all stakeholders through transparent and timely disclosures. Discussions covered individual and collective director evaluations, compliance software, and practical examples of governance failures, making the session both informative and motivating for Company Secretaries.

**22. Virtual Conference of Heads of Inspection and Audit**

**Date** November 07, 2024

**Coverage** Evolving Role and Significance of Audit Functions in the Financial System; Risk Based Internal Audit of Banks – Supervisory Issues and Concerns; Changing Role of Internal Audit as an Assurance Function - Static vs Dynamic Approach in Internal Auditing; Meeting challenges to inspection and audit functions – Resource constraints, technological complexity and Cybersecurity threats; Supervisory Issues in respect of Internal Audit function, Audit Committee of the Board and Audit Approaches; Use of Data Analytics in Internal Audit.

**Takeaways:**

The program was highly informative, addressing relevant topics and the evolving role and significance of Audit in the financial sector. It provided valuable insights into the expectations from the Internal Audit (IA) function, avenues for enhancing its deliverables, and the strategic adoption of emerging technologies. Supervisory perspectives on Risk-Based Internal Audit (RBIA), regulatory expectations, and the future of audit in risk management were thoroughly explored. The growing importance of AI and ML in Internal Audit was a key highlight, emphasizing their role in tackling the challenges posed by rapid technological advancements and digitization in banking. Overall, the program offered deep insights and actionable recommendations, underscoring the need for continuous adaptation to the dynamic nature of the financial landscape.

**23. Program for Senior Management of Canara Bank**

**Date** November 19-20, 2024

**Coverage** Future of Financial Services & Significance of Business Analytics; Infrastructure Financing: Issues & Challenges; Primer on Bond Theorem and G-Sec Market; Trade Finance: New Frontiers & Emerging Risks; Sustaining Compliance and Sustainable Business Growth; Macro-Economic Environment & present Lending Scenario; Regulatory Trends in Banking Industry; Regulatory Framework for Securitization of Assets; Technology Tools for Enhanced Customer Service & Safeguards; NPAs & Stressed Assets Management in Banks; Risk Management and Emerging Opportunities in Banks; Machine Learning and AI - Implications of Advanced Technologies for Financial Intermediation; Ethics & Business Conduct.

**Takeaways:**

The program offered a comprehensive update on macroeconomic indicators and highlighted the critical importance of regulation, compliance, and analytics in driving business development. Participants were apprised of advancements in banking technology, emphasized on keeping pace with the evolving financial landscape, the evolving future of financial services and the critical role played in the viability of a financial institutions by securitization of assets. The various topics discussed included those on infrastructure financing, capital markets, trade finance, and risk management concepts, while also underscoring the significance of sustainable compliance in consistent business growth of an institution. The sessions emphasized on leveraging AI and data analytics for business growth and customer experience, enhanced customer service, and addressing the changing customer needs. Insights from seasoned banking leaders and interaction with them enriched the participants to understand critical aspects of prudent lending, ethical business practices, significance of customer data protection, fostering innovation, efficiency, and competitiveness in the digital banking era.

## 24. Program for Senior Management of Canara Bank

**Date** November 21-22, 2024

**Coverage** Regulatory Trends in Banking Industry; Regulatory Framework for Securitization of Assets; NPAs & Stressed Assets Management in Banks; Macro-Economic Environment & present Lending Scenario; Risk Management and Emerging Opportunities in Banks; Excellence in Customer Service; Machine Learning and AI - Implications of Advanced Technologies for Financial Intermediation; Ethics & Integrity; Future of Financial Services & Significance of Business Analytics; Infrastructure Financing: Issues & Challenges; Trade Finance: New Frontiers & Emerging Risks; Technology Tools for Enhanced Customer Service & Safeguards; Bond Theorem and an Introduction to Bond Market; Customer Service in the Changing Landscape of Banking Industry.

### Takeaways:

The program provided valuable insights into the evolving landscape of banking and financial services, focusing on key areas like customer service excellence, technological advancements, ethics, and regulatory trends. The program emphasized the integration of AI and machine learning into business growth and expansion, along with a deeper understanding of the macroeconomic environment, regulatory norms, and risk management. The program also highlighted the critical role of technology in modern banking, particularly in areas like payment systems, data analytics, and digitalization. The sessions on leadership, customer service orientation, and the emerging regulatory and risk management frameworks were deemed extremely relevant, providing practical knowledge to guide better decision-making and drive overall growth in the banking sector. The program's comprehensive approach, including topics such as infrastructure and trade financing, further enriched participants' understanding of the complexities of modern banking operations.

## 25. Program on Governance and Assurance for Directors on Board of Banks, FIs and NBFCs

**Date** December 06, 2024

**Coverage** Governance and Assurance Functions in Banks, FIs and NBFCs: Role and Responsibilities of the Board; Governance Challenges in Use of Advanced Technologies; Emerging Risks in the Horizon including Risks Arising out of Climate Change; Behavioural Dynamics in Board functioning; IT Security and Resilience – Mitigating Challenges; KYC / AML – Regulatory Perspective..

### Takeaways:

The program provided valuable insights into critical areas of governance and risk management with the keynote address covering the broad role played by the Directors. Key takeaways included an increased awareness of risk, particularly in relation to emerging technologies like Open AI and quantum computing, and the importance of robust compliance frameworks. The sessions also included critical topics such as the emerging risks associated with climate change; the evolving nature of board dynamics, emphasizing the behavioural aspects. The program also focused on the complexities of governance in the context of cybersecurity and discussed the role of the board and its assurance function along with some practical insights. Ultimately, the program reinforced that sound governance and assurance practices are essential for a sustainable financial institution.

## 26. Program for Senior Risk and Compliance Officers of Axis Bank Ltd.

**Date** December 19-20, 2024

**Coverage** Effective Compliance in Banks – Regulatory Expectations; Governance, Risk & Compliance Framework; Embedding a Culture of Compliance for A Strong & Sustainable Compliance Across the Organisation; Risk Based Supervision and Assessment of Compliance Risk; Approach to Risk Based Supervision - Supervisory Observations; Proactive and Effective Risk Management; Cyber Security - Governance, Risk & Compliance; Financial Crime - KYC/AML Perspective: Regulatory Expectations; Compliance - International Best Practices; Compliance, Accountability and Enforcement.

### Takeaways:

The program provided valuable insights into building a robust risk and compliance culture in banking. Emphasis was placed on embedding compliance at a sustainable way at all organizational levels,

starting with leadership and cascading to the first line of defence. Risk and compliance were highlighted as cautious enablers of business, crucial for sustainability, with a focus on proactive strategies, data-driven decision-making, and effective governance, risk, and compliance (GRC) collaboration. Key discussions covered implementation challenges, crisis communication, and ensuring data quality for transparent reporting. Speakers shed light on regulatory intent and strategies for large-scale bank management. Topics like Know Your Customer (KYC) processes, Risk-Based Supervision (RBS), and benchmarking peer frameworks were particularly useful, alongside insights into improving communication between assurance functions and operational teams. The importance of forward-looking approaches, regular staff updates, and informed decision-making was reiterated, underscoring the need for proactive compliance and integration of risk strategies to meet regulatory expectations and drive long-term performance.

## **27. Financial Sector Leadership Program in collaboration with The Critical Dialogue**

**Date** January 06-10, 2025

**Coverage** Effective Compliance in Banks – Regulatory Expectations; Current Macro-Economic Environment and Recent Developments in the Banking Sector; New Age Banking - Challenges of Governance, Leadership and HR; Financial Intermediation in the Digital and Disruptive World; Briefing by The Critical Dialogue; Johari window and Transaction Analysis; Understanding and Managing Stress for Improving Professional and Personal Effectiveness; Inclusive Leadership: Learning Through Movie; Self-awareness and Leadership; The Competing Values Framework; The Big 5 Factors and Facets; The 8 leadership Roles – CVF; Leadership Role in Building Organizational Culture ; Leadership Styles; The Authentic Leader; Leadership Communication; Conflicts Resolution; Creating A Comprehensive Leadership Development Plan for Action.

### **Takeaways:**

The Leadership Development Program offered valuable insights into self-awareness, personality traits, and team dynamics while reinforcing fundamental leadership concepts such as the competency value framework, Johari Window, leadership manifesto, and the significance of feedback. Through engaging discussions and case studies, particularly within the Indian context, the program provided a deeper understanding of personal leadership styles and decision-making processes. Various activities conducted during the sessions helped participants navigate leadership challenges, enhance problem-solving abilities, and strengthen interpersonal relationships. Additionally, the program introduced key leadership frameworks, including the Five Values Framework, different leadership styles, and emotional intelligence. It also underscored the importance of giving and receiving constructive feedback using the Johari Window model.

## **28. Virtual Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): Emerging Trends and Challenges**

**Date** January 22, 2025

**Coverage** HR Leadership & Strategy—Emerging Trends; Role of Technology in HR & Learning; Capacity Building: To Build A Resilient Future Ready Workforce; Cafral Learning Programs: Approaches & Strategies; Bridging Learning Gaps & Meeting Emerging Needs.

### **Takeaways:**

The program provided valuable insights into the evolving role of HR, emphasizing the integration of AI and ML in talent management, capacity building, and workforce resilience. Discussions highlighted the critical role of training and development in strengthening organizations, reinforcing the need for continuous technological adaptation. The program underscored the importance of organizational culture, balancing a people-centric approach with performance-driven strategies for effective HR management. Key themes included leadership frameworks, learning agility, and the shift towards digitization in HR. Topics such as nurturing in-house talent versus external hiring, the role of technology in L&D, and the need to align HR policies with organizational culture and business goals were explored in depth. With rapid changes in work dynamics, workplaces, and the workforce,

the need to revisit and refine HR and L&D agendas was recognized as essential for future-ready organizations

## **29. Virtual Program on Data Protection, Data Privacy & Data Localization**

**Date** January 23, 2025

**Coverage** Cyber Security Framework and Emerging Frontiers for Data Protection; Issues and Challenges in Data Protection and Data Privacy - Relevance, Current Issues and the Road Ahead; Regulatory Perspective on Data Localization – Compliance Expectations; Evolving Trends in Data Privacy & Data Protection - Significance of Data Standardization in Data Governance; Data Privacy – Legal Framework and the Evolving Trends; Emerging Frameworks for Data Protection in Banks.

### **Takeaways:**

The virtual program provided valuable insights into securing and protecting Personally Identifiable Information (PII) and other sensitive data within organizations. Discussions covered essential data privacy terms, necessary actions for banks, and the key impact of DPDP Act compliance on Payment System Operators (PSOs). Participants also gained a deeper understanding of data protection, localization, and regulatory aspects, along with critical considerations in IT outsourcing, IT Governance, Risk, and Compliance (GRC), privacy notices, and consent management. The program further highlighted globally levied penalties for non-compliance, reinforcing the importance of robust data protection measures and regulatory adherence.

## **30. Virtual Program on Fintech and Banking**

**Date** January 29, 2025

**Coverage** FinTechs in Financial Intermediation: Regulatory Architecture & Expectations; Fintech Innovations: Changing the Future Financial Landscape; Digitalization: Tackling Emerging Risks and Challenges; Digital Product Development and Management; Digital Lending- Journey so far; Unified Lending Interface (ULI).

### **Takeaways:**

Participants gained a comprehensive understanding of fintech onboarding, including its associated risks and benefits. The sessions were highly informative, with expert speakers sharing their extensive knowledge and experience. The program provided valuable insights into the Unified Lending Infrastructure (ULI), emphasizing the need for banks to collaborate with stakeholders rather than operate in isolation. A key highlight was the discussion on ULI and the broader financial ecosystem, offering a strategic perspective on its implementation. The discussions also covered digital product development, regulatory perspectives on fintech and key insights into digital lending and its regulatory landscape.

## **31. Workshop on Climate Change Risk and Sustainability for the Board members of Banks, FIs and NBFCs**

**Date** February 11, 2025

**Coverage** Climate Finance: Evolving Regulatory Approaches; Climate Risk Mitigation Journey; Climate Risks, Opportunity & Challenges for BFSI; Governance and Strategy for Climate Risk Mitigation; Integrating Climate Risk Management with Traditional Risk Management; Climate Finance: Issues and Challenges for Banks; Climate Related Risks and Financing Climate Change: Regulatory Expectations.

### **Takeaways:**

The program provided a comprehensive understanding of climate change, its associated risks, and the increasing need for awareness and preparedness in the financial sector. Discussions highlighted global climate finance instruments, the Principles of Responsible Banking, and international frameworks, standards, and taxonomies that guide sustainable finance. The program also emphasized the emerging nature of climate risk, underscoring the need for financial institutions to anticipate challenges, adapt to the evolving banking landscape in India, and develop strategic responses. Managing climate risk is now a business imperative, requiring sustained effort over the coming years. Overall, the sessions provided a better understanding of climate change, the complexities of finding viable solutions, and the importance of proactive transition and transformation efforts within the

financial ecosystem.

### **32. Virtual Program on KYC/AML/CFT for CXOs of HDFC Bank Ltd.**

**Date** February 28, 2025

**Coverage** Supervisory Observations on KYC & AML Compliance - Use Cases; KYC Compliance, AML Measures and Combating Financial Crime; Transaction Monitoring - Key Issues; KYC and AML Measures - Regulatory Framework & Expectations; Central KYC Registry and Compliance; KYC and AML - Compliance, Accountability & Enforcement.

#### **Takeaways:**

The VP provided a comprehensive industry and regulatory perspective on KYC, AML, and CFT, offering valuable insights into compliance expectations and best practices. Participants gained application-based learning to effectively integrate robust KYC/AML frameworks within their organizations. The discussions emphasized the critical role of regulatory adherence, not just as a compliance requirement but as a strategic enabler for business growth and risk management. Additionally, the importance of vigilance against money mules, periodical risk assessment and the proper implementation of KYC/AML within a regulated entity was well-articulated, making the VP highly insightful.

### **33. Program on Internal Audit for Senior Officers of Axis Bank Ltd.**

**Date** March 3 - 4, 2025

**Coverage** Evolving Role & Significance of Internal Audit Functions; Internal Audit Process; Management Audit: Process; Audit Reporting & Follow up; Use of Advanced Technologies in Internal Audit: A Bankers Perspective; Risk Based Internal Audit of Banks: Supervisory Issues & Concerns; Information System Audit: Issues & Challenges; Internal Audit Standards & Framework; Significance of Data Analytics & Future Trends in Internal Audit Process.

#### **Takeaways:**

The program provided a comprehensive understanding of best practices in internal audit, regulatory expectations, and emerging trends shaping the audit landscape. Industry experts and regulators offered valuable insights, covering key aspects such as RBI's Audit Policy (RBIAP), audit process, reporting, and how to improve the acceptance and impact of audit in improving the overall efficiency of the organization. A key highlight was the exploration of how technology can be leveraged to enhance audit effectiveness, identifying areas that currently fall outside existing audit plans. The program also facilitated introspection on areas where auditors need to improve to align better with governance expectations and risk mitigation strategies. Discussions also delved into emerging risks, forensic audits, data analytics, risk categorization, and RBI's supervisory expectations. Overall, the sessions provided valuable knowledge on assurance functions, risk identification and control testing, and governance best practices.

### **34. Program on Know Your Customer and Anti Money Laundering for Directors on Boards of Banks, Financial Institutions and NBFCs**

**Date** March 12, 2025

**Coverage** KYC and AML Measures - Regulatory Framework & Expectations; Supervisory Observations on KYC & AML Compliance - Use Cases; KYC Compliance, AML Measures and Combating Financial Crime: FIU Perspective; Central KYC Registry and Compliance; Trade Based Money Laundering: Key Issues & Challenges; KYC & AML - Compliance, Accountability & Enforcement.

#### **Takeaways:**

The program provided valuable insights into the evolving landscape of KYC and AML regulations, emphasizing the importance of compliance as a regulatory requirement. Discussions covered the simplification of re-KYC processes, the use of CKYC identifiers, and the implications of global trade-based money laundering. The significance of customer awareness campaigns and staff training was also highlighted. The sessions effectively reinforced the importance of AML risk assessment, customer identification, and due diligence, advocating for the same level of rigor as credit risk assessments. The program also stressed the necessity of effective risk monitoring, enhanced oversight from boards, and strengthened multi-level supervision to ensure robust KYC/AML implementation. Overall, the sessions were highly relevant to contemporary banking challenges, providing a deeper understanding of the expectations set by regulatory agencies and the critical role of financial institutions in safeguarding against financial crimes.

# Annex 3

## **CAFRAL Team, as on August 31, 2025**

1. Dr. Rajiv Ranjan, Director
2. Shri Manas Ranjan Mohanty Additional Director (Learning and Administration)
3. Dr. Nirupama Kulkarni, Professor
4. Sunita S Ratanpal, Chief Administrative Officer
5. Sankaranarayanan Chandramouli, Senior Program Director
6. Kamal P. Patnaik, Senior Program Director
7. Dr. Gautham Udupa, Associate Professor
8. Dr. Kaushalendra Kishore, Assistant Professor
9. Dr. Vidya Soundararajan, Assistant Professor
10. Dr. Sankalp Mathur, Assistant Professor
11. Dr Vedant Agarwal, Assistant Professor
12. Nimesh Gopiyani, Senior Accounts Manager
13. Anup B Sonawane, Senior IT & Web Manager
14. Dr. Hari Babu Varshney, Administrative Officer (Learning & Administration)
15. Monica Monteiro, Administrative Officer (Research)
16. Vijaya Lakshmi Das, PS to Director
17. Pushpalata Nadar, Program and Relationship Manager
18. Charulatha Ramesha, Program and Relationship Manager
19. Trupti Kanade, Accounts Manager
20. Chandrakant Kolase, IT Manager
21. Rumana Patel, Research Associate
22. Twinkle Halder, Research Associate
23. Vijayshree, Research Associate
24. Apoorv Khatri, Research Associate
25. Revathy Ramchandran, Research Associate
26. Sripad Atri, Research Associate
27. Akshaya Ranganath, Research Associate
28. Debargha Som, Research Associate
29. Devika Vinod, Research Associate
30. Aftab Ahmed, Research Associate
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