

**ANNUAL REPORT**

**2021-22**

**Promoting  
Excellence in  
Learning  
and Research**



**CAFRAL**

CENTRE FOR ADVANCED FINANCIAL  
RESEARCH AND LEARNING

Promoted by Reserve Bank of India



# CAFRAL Governing Council



**Shri. Shaktikanta Das**

Chairman, GC &  
Governor,  
Reserve Bank of India



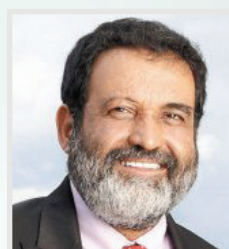
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Deputy Governor,  
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**Shri. B P Kanungo**

Director, CAFRAL





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# About CAFRAL

The Centre for Advanced Financial Research And Learning (CAFRAL) has been set up by the Reserve Bank of India (RBI) in the backdrop of India's evolving role in the global economy, in the financial services sector and its position in various international fora and to develop into a world class global institution for research and learning in banking and finance. CAFRAL is a not-for-profit organisation established as a Society and a Trust; it is an independent body promoted by RBI. CAFRAL became operational in January 2011.

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 our 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

ALM	Asset Liability Management	NSDL	National Securities Depositories Limited
ALCO	Asset Liability Committee	OCC	Office of the Comptroller of the Currency
AML	Anti-Money Laundering	ORF	Observer Research Foundation
API	Application Programming Interface	PSB	Public Sector Bank
ARCs	Asset Reconstruction Companies	PTC	Pass Through Certificate
ARR	Accounting Rate of Return	PRMIA	Professional Risk Manager's International Association
AS	Accounting Standards	RA	Research Associate
BCG	Boston Consulting Group	RAE	Risk Assessment Exercise
CAFRAL	Centre for Advanced Financial Research And Learning	RBI	Reserve Bank of India
CAAT	Computer Assisted Audit Techniques	REs	Regulated Entities
CBI	Central Bureau of Investigation	RFS	Review of Financial Studies
CBDC	Central Bank Digital Currency	RIS	Research and Information System
CCO	Chief Compliance Officer	RRB	Regional Rural Bank
CEO	Chief Executive Officer	SBI	State Bank of India
CEPR	Centre for Economic Policy Research	SLR	Statutory Liquidity Ratio
CFO	Chief Financial Officer	ST	Stress Test
CGM	Chief General Manager	TF	Terrorist Financing
CHRO	Chief Human Resources Officer	VAT	Value Added Tax
CEEI	Catalyst Executive Education Institute	VLP	Virtual Learning Program
CRO	Chief Risk Officer	UI	User Interface
CTO	Chief Technology Officer	UPI	Unified Payments Interface
CLO	Chief Learning Officer	UX	User Experience
DMD	Deputy Managing Director	WFH	Work From Home
DL	Digital Lending		
ESG	Environmental, Social, and Governance		
ERM	Enterprise Risk Management		
ERA	Enterprise Risk Assessment		
EERM	Extended Enterprise Risk Management		
EWS	Early Warning System		
EXIM	Export-Import		
FEMA	Foreign Exchange Management Act		
FI	Financial Institution		
FIRS	Financial Intermediation Research Society		
FC	Financial Crime		
FPO	Farmer Producer Organization		
GAAP	Generally Accepted Accounting Principles in India		
GDP	Gross Domestic Product		
HR	Human Resource		
ICAAP	Internal Capital Adequacy Assessment Process		
IDP	Individual Development Plan		
IIM	Indian Institute of Management		
IRA	Integrated Risk Assessment		
ISB	Indian School of Business		
LIBOR	London Interbank Offered Rate		
MIFOR	Mumbai Interbank Forward Offer Rate		
ML	Money Laundering		
MD	Managing Director		
MMR	Minimum Retention Requirement		
MSME	Micro, Small & Medium Enterprises		
NBFC	Non-Banking Financial Company		
NABARD	National Bank for Agriculture and Rural Development		
NBER	National Bureau of Economic Research		
NED	Non-Executive Director		
NPA	Non-Performing Asset		
NCAER	National Council of Applied Economic Research		
NED	Non-Executive Director		
NPA	Non-Performing Asset		
NSE	National Stock Exchange		

**DIRECTOR'S  
REPORT**  
**2021-22**

# Director's Report



During the year, CAFRAL continued to deliver on its dual mandate of achieving excellence in research and learning in banking and finance.

CAFRAL's Research wing published four new working papers on diverse areas such as dollar liquidity, trade, financial inclusion, bank governance, segregation, and public finance. CAFRAL researchers also published two papers in leading academic and practitioner oriented journals. CAFRAL researchers presented in international and domestic conferences as part of CAFRAL's mandate for disseminating research. CAFRAL researchers have also been actively involved in policy work with ongoing projects in currency management, non-banking financial sector, and bank ownership and performance. Besides this, CAFRAL hosted 20 external seminars by Indian and international scholars that covered topics such as government subsidies, financial inclusion, monetary policy and inflation, loan evergreening, epidemics, bank supervision, contract labour, and capital misallocation. Presenters included leading researchers from other central banks, domestic and academic research institutions.

The Learning team conducted 17 learning programs, one web conference for the Heads of HR and 1 webinar on COVID Stress - Employee Health, Risk and Productivity. The learning programs dealt with Governance and Assurance, Business Opportunities & Strategies, Leadership, Technologies and Markets. In each of these programs, there was significant overlay of regulatory and supervisory aspects. Several programs in terms of contents, dealt with issues in the intersections of technology, leadership and governance. Particularly, a program on Women Leadership in Financial Sector was designed and delivered through a unique format involving both classroom lectures and group assignments. Also in this program, the leadership competencies of the participants were identified and mapped. Another program was delivered exclusively for senior executives who participate in board meetings. This program dealt with the role and responsibilities of such executives who could potentially strengthen board governance. There were timely delivery of two market related programs, LIBOR Transition & Benchmark Reforms in India and Central Bank Digital Currency - What, Why and How.

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

**B P Kanungo**  
Director, CAFRAL



# CAFRAL Research

## **Academic Research**

Academic Research A list and abstracts of the papers with completed drafts for this Fiscal Year (2021-2022) is attached in Annex 1. Here, we provide a sampling of research done at CAFRAL this year.

CAFRAL researchers prepared four new working papers, and are actively working on three more projects that are at an advanced stage in a variety of areas such as international trade finance, banking, and financial inclusion. One research paper, was also accepted in the Journal of Empirical Legal Studies, a peer-reviewed academic journal. The paper, “Consumption Tax Reform and The Real Economy: Evidence from India’s Adoption of a Value-Added Tax”, authored by Dr Nirupama Kulkarni and co-authors, was accepted for publication at the Journal of Empirical Legal Studies. The paper studies the impact of consumption tax reform on firm capital and productivity by examining India’s replacement of the pre-existing sales tax with a value-added tax structure. Another paper “Dividends and Bank Capital in the Financial Crisis of 2007-2009” was accepted to be published in the practitioner-oriented journal, Journal of Financial Crisis. The paper studies the dividend payments of US and European banks and financial intermediaries in the financial crisis of 2007-09.

Dr. Gautham Udupa released a research paper titled “Does Funding Matter for Currency of Trade Invoicing?”. The paper is available on CAFRAL website as a research working paper and studies the causal linkage between dollar liquidity and dollar invoicing around the Taper Tantrum in India. Dr. Kaushalendra Kishore also released a working paper on “Within-bank hierarchy, soft information and credit supply”. A new working paper by Dr Nirupama Kulkarni, “Homeownership Segregation”, examines the segregation of homeownership in the US.

## **RBI related work**

Researchers at CAFRAL are actively engaged on multiple projects and research support is being given on current issues of interest to the RBI. CAFRAL researchers are working with the Department of Currency Management in the RBI. Additionally CAFRAL researchers also worked on “Bank Ownership and Performance in India,” which explores how the size of the largest equity holder and the dispersion of block holders affect bank performance.

## Research Seminars

Due to COVID-19 situation, CAFRAL moved from hosting seminars with physical presence to webinars. CAFRAL hosted 20 external webinars and invited leading researchers from academic institutions worldwide (University of Oxford, University of British Columbia), including presenters from other central banks such as Bank of Canada, Bank of Italy, Deutsche Bundesbank, Bank of Mexico, Bank of England, and Bank of Portugal and other organizations such as Bank of International Settlements, and researchers from domestic institutions such as IIM Bangalore, IIM Indore, ISB, and Dvara Research. The seminars covered a variety of interesting topics such as government subsidies, financial inclusion, monetary policy and inflation, loan evergreening, epidemics, bank supervision, contract labor, and capital misallocation.

## Presentations to industry and academic institutions.

Dr. Nirupama Kulkarni presented her paper “Mortgage Policies and Their Effects On Racial Segregation and Upward Mobility”, at the “Inequality, Discrimination, and the Financial System Conference” which was held in April, 2021 and hosted by the National Bureau of Economic Research (NBER) in collaboration with the Review of Financial Studies (RFS). The paper was also presented by her at the 2021 Federal Reserve Bank, Atlanta conference on “Racial Inequalities and Finance” in October, 2021. Dr. Kulkarni presented her paper “Homeownership Segregation” in November, 2021 at a conference organized by the Journal of Monetary Economics and attended by leading macroeconomists. She also presented her paper “The Unholy Trinity: Regulatory Forbearance, Stressed Banks, and Zombie Firms” at the Financial Intermediation Research Society (FIRS) 2021 conference, one of the leading international conferences on banking. Dr. Nirupama Kulkarni was also invited to present this work at the Indian Statistical Institute in August, 2021. Her paper “Bank Deposit Franchise, Interest Rate Risk, and Default Risk” was also presented at the North East Universities Development Consortium 2021 conference (hosted by Boston University) in November, 2021. Dr. Udupa presented at the CAFRAL learning vertical event titled “Retail Lending – Amid and Post Pandemic” on the topic “Retail Lending – Bankruptcy Laws to Handle Future Stress”. Dr. Kaushalendra Kishore, presented his paper “Does facetime with the boss matter? Soft information communication and organizational performance” at the Indian School of Business in March, 2022.

Dr Kulkarni was also invited to serve as a panel member at the ISB Impact Forum, 2021 on impact through policy research and intervention, and as an invited speaker on “BRICS Economic Forum: Designing an inclusive global economic recovery” organized under India’s presidency of BRICS by the Observer Research Foundation (ORF) and the Research and Information System for Developing Countries (RIS). Dr Kulkarni also participated in a closed-door Expert Roundtable on G20 organized by ORF for the session “An agenda for global macro-economic stability under India’s presidency of the G20 in 2023”, which held in March, 2022.

## **Human Capital**

RAs who completed our program continued to see success in terms of securing admission to reputed post-graduate programs. The 2020-2021 cohort had offers from PhD programs at George Washington University, University of Texas, and Michigan State University. CAFRAL completed recruitment cycle for Research Directors and has recruited two new Research Directors.



# CAFRAL Learning



Snapshot of Virtual Learning Deliveries / Programs

## CAFRAL Live Webinar on COVID Stress - Employee Health, Risk and Productivity:

CAFRAL organised a Webinar on COVID Stress – Employee Health, Risk and Productivity, 2021 against the backdrop of COVID 19 pandemic which had already lasted longer than a year, disrupting the normal operations in banks and financial institutions, potentially causing systemic stress and stress at individual employee level. This Webinar sought to explore the developments, issues and challenges relating to such disruptions.



The topics specifically discussed in the Webinar were Lessons for HR from COVID Stress; Employee Health During COVID 19



1. Indrani Banerjee, Additional Director, CAFRAL; 2. Prabir Jha, Founder & CEO, Prabir Jha People Advisory; 3. G David Rasquinha, MD, EXIM; 4. Pravin Gupta, former MD, SBI; 5. V Vaidyanathan, MD & CEO, IDFC First Bank; 6. Jaspal Singh Bindra, Chairman, Centrum Group 7. Vivek Belgavi, Partner & Leader –FinTech, PWC India; 8. Abhinav Bansal Managing Director and Partner, Boston Consulting Group (Speakers during Webinar on COVID Stress - Employee Health, Risk and Productivity and Program on Retail Lending - Amid and Post Pandemic)





And Operational Risk - SBI Experience; Impact of COVID Stress on Employee Health and Risk - Regulatory Perspective; COVID Stress & Productivity Loss - Through the CEO Lens; COVID Stress and Stressed Employees- Exploring The Vulnerabilities and Managing the Fallout.

**CAFRAL Virtual Learning Program on Retail Lending - Amid and Post Pandemic:** The VLP exposed the participants to the trends which are likely to completely transform the Retail Lending ecosystem post pandemic. Participants also learnt the technicalities surrounding the trends in retail lending through web lectures and analytical discussions.

The program covered topics such as Retail Lending Business - Options and Strategies Post Pandemic; The New Era Retail Banking; Retail Lending Amid and Post Pandemic– Emerging Regulatory Issues; Customer Engagement and Wealth Management; Collection and Recovery in Retail Loan Portfolios; Credit Scoring Methodologies for Retail Lending – Traditional and Alternatives; FinTech and P2P Lending/Market Place Lending - Competition and Collaboration; New Products and Processes in Retail Lending; Retail Lending - Bankruptcy Laws to Handle Future Stress; User Interface (UI) & User Experience (UX) Designs and Digital Retail Lending; and Digital Marketing and Delivery of Retail Credit.

**CAFRAL Virtual Workshop on Emerging Compliance Landscape :** The Virtual Workshop provided a platform to thought leaders in the financial sector to meet and discuss the need for a new paradigm of compliance against the backdrop of recurrent compliance failures. The workshop sought to ideate an optimal compliance framework that could potentially evolve from within,



1. Sunil Mehta, Chairman, Yes Bank Ltd
2. Lam Chee Kin, Managing Director & Head, Legal, Compliance & Secretariat, DBS Bank, Singapore
3. Pramod Kumar Panda, Senior Program Director, CAFRAL (Speakers during Workshop on Emerging Compliance Landscape )

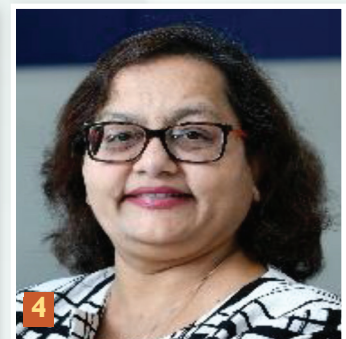


in tune with the evolving regulatory framework.

The program covered topics such as Global Good Practices on Compliance Function; Regulatory and Supervisory Expectations on Compliance Function; Culture of Compliance; Reimagining Compliance Function – The Journey Ahead and Beyond Compliance - Ethics, Code & Conduct; Play Book of Effective Compliance & Recipe for Compliance Failures.

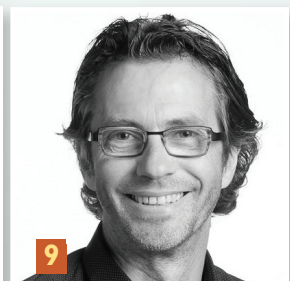
**CAFRAL Virtual Program on Women Leadership in Financial Sector:** This was CAFRAL's maiden leadership program meant for senior officers of banks, financial institutions and RBI. It was delivered in two tranches spread over more than two weeks in collaboration with Catallyst Executive Education Institute (CEEI) in a sandwich format. The first tranche dealt with a range of leadership issues through virtual classroom lectures and presentations. As part of the second tranche, the participants were assigned project work to design new products/processes through team work.

The program covered topics such as Women Leaders- Attributes and Issues; What it takes to succeed as a Woman Leader in Finance; Tomorrow's Workplace- Grappling with Challenges Post Pandemic; Leadership Competencies; Leading Innovation through Design Thinking; Fireside Chat- Arundhati Bhattacharya; Fireside Chat – Padmaja Chunduru; HR Perspective on Women Leadership;; Project Work- Participants; Leadership Concepts and Competencies; Leadership Competency



Assessment Report Debriefing; Workshop: Creating an Individual Development Plan (IDP); Guided Peer Group Discussion on IDP Creation and Execution.

**CAFRAL Virtual Learning Program on Strengthening Board Governance - Role and Responsibilities of Senior Management:** This was CAFRAL's first VLP on Strengthening Board Governance - Role and Responsibilities of Senior Management. The VLP was designed for the senior management of Karnataka Bank and few Old Private Sector Banks to facilitate building of their individual and collective capacity to efficiently aid and assist the Board in discharging its governance responsibilities. The program covered topics such as Senior Management: How Not to Hedge Your Bets; Corporate Governance, Bank Governance and Governance Culture - Striking Optimal Balance Between Business and Governance



1. Naina L Kidwai, Former Country Head and Group General Manager, HSBC India & Former President, FICCI; 2. Arundhati Bhattacharya, Chairperson & CEO, Salesforce India and former Chairman, SBI; 3. Padmaja Chunduru, Former MD & CEO, Indian Bank; 4. Kaku Nakhate, President & Country Head- India, Bank of America; 5. J K Dash, Executive Director, Reserve Bank of India; 6. Mahabaleshwara M. S, Managing Director & CEO, Karnataka Bank; 7. Chandan Sinha, Former Executive Director, Reserve Bank of India & Independent Director, RBL Bank; 8. Prashant Saran, Former Whole-Time Director, SEBI; 9. Edouard Gruwez, Managing Director, To The Point At Work Ltd (Speakers during Program on Women Leadership in Financial Sector and Program on Strengthening Board Governance - Role and Responsibilities of Senior Management)



Imperatives; Interacting With the Board, its Committees and their Members – Perspectives and Nuances; Making an Effective Presentation to the Board; Engaging with the Boards - How to Have a Mutually Successful Relationship; Board Meetings and Processes – An Overview of Legal, Regulatory and Governance Requirements; Issues and Deficits in Board / Board Committee Agenda Notes; Drafting and Recordal of Board/Agenda Notes; Role of Senior Management in Board Processes – Expectation of Capital Market Regulator; Role of Senior Management in Board Deliberations. The participants interacted with industry experts and had an opportunity to understand the importance of good governance practices.

**CAFRAL Virtual Learning Program on Agro MSME Lending:** This was CAFRAL's third iteration of the Virtual Program on Agro MSME which sought to build a business case for lending profitably to the Agro-MSMEs as they hold promise for the development of the rural economy in a sustainable and impactful manner.

The program covered topics such as Agro MSMEs and the Indian Economy ; Agro Enterprises in Super Value Chains: Opportunities for Bank Lending; Emerging Contours of Agri-Value Chain Finance – Opportunities, Practices and Enablers; FinTechs in Agro MSME Financing- Financing Super Value Chains, Lending to Impact Agriculture and social enterprises; Financing Agro MSMEs: Agri -Business Models and Regulatory Developments; Lending to FPOs : Issues , Challenges and Emerging Trends; Lending to Agro-MSMEs : SBI's Business Strategy and Product Bouquet; Climate Smart Financing of Agro – MSMEs- Introduction, What is Climate Smart Financing, Climate Smart Agro MSME Financing, Current Practices, Developments Way Forward; Agri Start-ups in Agro MSME Sector- Opportunities and Challenges in Financing.

**CAFRAL Virtual Conference on Central Bank Digital Currencies - What, Why & How:** The virtual conference was designed keeping in mind the need to deepen and widen the bankers' understanding of CBDCs & their potential implications for payment systems, monetary policy implementation and transmission, as well as for the structure and stability of the financial



1. Anil Sharma, Executive Director, RBI;
  2. Dr Ashok Dalwai, IAS, CEO, National Rainfed Area Authority
  3. S Adikesavan, Chief General Manager, SBI;
  4. Vivek Deep, Executive Director, RBI;
  5. Kazushige Kamiyama, Director-General, Department of Payments and Settlements, Bank of Japan;
  6. Rajesh Bansal, CEO, RBI Innovation Hub
- (Speakers during Conference on Central Bank Digital Currencies - What, Why & How)

system. The Conference covered topics such as Central Bank Digital Currencies (CBDC): Policy Perspectives; CBDCs: An Enabler or Disruptor; CBDCs: Design and Strategy Issues; CBDCs: Cross Country Developments. Participants appreciated the timeliness of the event & deliberations on topical issues.

**CAFRAL Virtual Conference on Green & Sustainable Finance:** This virtual conference on Green and Sustainable Finance was held against the backdrop of greater regulatory and public policy focus on the potential risk facing the financial sector due to environmental pollution, ecological degradation and climate change etc.

The key note address [Heed To Heal - Climate Change Is The Emerging Financial Risk](#) was delivered by M Rajeshwar Rao, Deputy Governor, Reserve Bank of India, setting the tone for the deliberations.

Issues and topics discussed were Green Finance - How to Make Money While Saving the Planet; Global Leadership in Green Finance: The Indian Case; Managing Risk in Green Finance; Recent Indian Experiences in Green and Sustainable Finance; Regulatory Framework for Green and Sustainable Finance; Economics of Green Finance.



1. M Rajeshwar Rao, Deputy Governor, Reserve Bank of India
2. Rajat Verma, MD & Head-Commercial Banking, HSBC India
3. Danae Kyriakopoulou, Senior Policy Fellow, , London School of Economics and Political Science (Speakers during Conference on Green & Sustainable Finance)

**CAFRAL Virtual Learning Program on Enterprise Risk Management:** This CAFRAL VLP explored and deliberated upon various dimensions of the Risk Management function, particularly in the intersections of strategy, performance, culture, governance and financial regulation. The VLP also exposed the participants to the new frontiers of risk related to cyber security, data privacy, outsourcing risk, climate change risk, reputation risk and strategic risk particularly, as part of conversations on Extended Enterprise Risk Management (EERM).

The program covered topics such as Enterprise Risk Management: Strategy, Risk & Performance; Embedding Risk Culture and Risk Governance in ERM; Risk Appetite, ICAAP and ERM; Risk Governance , Data Aggregation and Risk Reporting;



Implementation of ERM - Experience Sharing; Improving Data Protection and Data Privacy Through ERM; Extended Enterprise Risk Management – An Introduction; How to Manage Cloud Computing Risk Under ERM; Cyber Risk and ERM; Fireside Chat: ERM through CEO's Lenses; Integrating Climate Risk into Enterprise Framework; ERM and Supervisory Review. The participants felt better/equipped to implement an effective ERM process.

**CAFRAL Virtual Learning Program on Compliance for Senior Officers at Axis Bank:** This VLP covered the entire spectrum of topics related to compliance with banking regulations, foreign exchange regulations, capital market regulations, legal, governance and management perspectives.

1. R Kesavan, Chief General Manager & Principal, Reserve Bank Staff College; 2. Zubin Mogul, Partner & Managing Director, Boston Consulting Group; 3. Dr Goutam Sanyal, Head-Retail & Operational Risk and Credit Monitoring, ICICI Bank; 4. Paul O'Rourke, Partner, Boston Consulting Group; 5. Ian Drew, Interim Regional Head of Risk Strategy, Asia Pacific, HSBC Bank, Singapore (Speakers during Program on Enterprise Risk Management)



The program covered topics such as Key Regulatory Changes for Banks; Enforcement Actions by Reserve Bank of India: How and Why; Compliance Relating to Financial Crime: Key Aspects; Compliance Culture: What It Is and How to Build It ;Good Compliance Practices Amongst Banks in India; Compliance and Regulatory Risk; Governance Perspective of

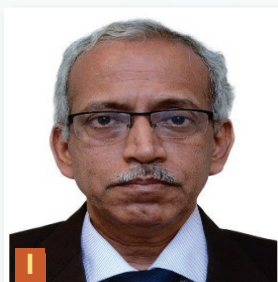


1. Rajesh Kumar Dahiya,  
Executive Director, Axis Bank  
2. Andrew Berry, Risk  
Advisory -Director, Deloitte  
UK  
3. George Pechlivanidis,  
Regulatory Technology &  
Data -Director, Deloitte UK  
(Speakers during Program  
on Compliance for Senior  
Officers at Axis Bank)

Compliance: Ethics, Conduct, Reputation & Risk; Compliance with FEMA and RBI Regulations on Forex Transactions: Investment; Compliance with FEMA and RBI Regulations on Forex Transactions: Trade; Management of Compliance Function; Compliance Risk Assessment Under Risk Based Supervision; Compliance by Banks with Key Legal Provisions; Compliance with Capital Market Regulations; Compliance in a Digital Era; Complying with Regulatory Prescriptions on Consumer Protection and Handling Customer Complaints & Grievances.

**CAFRAL Virtual Conference of CFOs:** This was the CAFRAL's annual conference held for Chief Financial Officers. The conference deliberated upon regulatory, legal and technological developments in the finance and accounts function and the CFO's role in the same. Speakers discussed with the participants how the role of the CFO has been evolving and the CFO in recent times has gained recognition as one of the crucial senior management functionaries in banks and financial institutions.

The conference covered topics such as Supervisory expectations on Finance & Accounts Function; Finance Function in Banks: Controls, Risks and Governance; Aligning Bank's ESG and Financial Goals; What ACB and Board Expects from CFO; Risk Appetite Statement and CFO; Balance Sheet Optimization; CFO & Capital Market; Blockchain Technology, Artificial



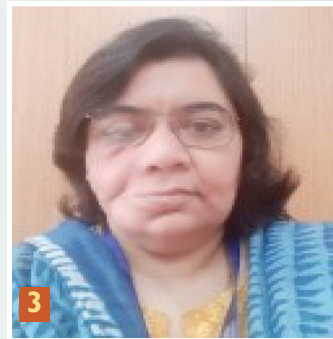
Intelligence and Robotic Process Automation in Finance Function; Enterprise Risk Management and CFO; Emerging Role of CFO in Digital Era; CFO: Traditional and Evolving Mandates.

**CAFRAL Virtual Conference on LIBOR Transition and Benchmark Reforms:** This one day CAFRAL Virtual Conference sought to provide all stakeholders a platform to deliberate on the technical details and implementation challenges in LIBOR transition. Also, it attempted to assess the state of preparedness amongst the financial sector stakeholders as far as the

1.G Mahalingam, Former ED, RBI & WTM SEBI, 2. M D Ranganath, Independent Director, HDFC Bank; 3. Charanjit Attra, CFO, SBI; 4. Jaimin Bhatt, CFO, Kotak Mahindra Bank; 5. Rakesh Jha, CFO, ICICI Bank;  
(Speakers during Conference of CFOs)

transition is concerned, while deliberating on the progress in benchmark reform.

Some of the topics deliberated during the conference were Preparedness for LIBOR Transition: Regulatory Assessment; Preparedness for LIBOR Transition: Experience Sharing; Valuation of LIBOR Linked Loans, Bonds and Deposits; LIBOR Transition - Beyond MIFOR: Where Do We Stand; LIBOR Transition: A Cross Country View. The timeliness of the conference and the perspectives shared were well appreciated by the participants



**CAFRAL Virtual Conference on Data Protection, Data Privacy and Data Localization:** The VC deliberated on the business, technological, legal, regulatory and governance aspects of data management in the context of data security, protection and privacy. Indrani Banerjee, Additional Director, CAFRAL made opening remarks and J K Dash, Executive Director, Reserve Bank of India (RBI) delivered the keynote address, discussing the current issues an organisation faces in data protection and data privacy.

The conference covered topics such as Data Protection and Data privacy: Current Issues; Legal and Regulatory Framework for Data Privacy: Current and Emerging Regimes; New Frontiers of Data Protection and Cyber Security; Data Localization: Regulatory Outlook and Issues; Bank Data Offshoring and Supervisory Requirements; Cloud Adoption and Adoption of New Technologies; Data Protection in Banks: Current and Emerging Frameworks - Data Protection by Design and by Default & Storage and Management of Personally Identifiable Information (PII).

**CAFRAL Virtual Program on Governance for Directors on Boards of NBFCs:** This two day long CAFRAL Virtual Learning Program sought to build capacity at the Board level in NBFCs so that the Boards can insightfully craft, monitor and



1. R. Subramanian, Executive Director, RBI; 2. Rudra Narayan Kar, Chief Executive Officer, Financial Benchmark India Ltd; 3. Dimple Bhandia, Chief General Manager, Financial Markets Regulation Department, Reserve Bank of India; 4. Nandkumar Saravade, Former CEO, Data Security Council of India & Former CEO, Reserve Bank Information Technology Pvt. Ltd (ReBIT); 5. Manoranjan Mishra, Chief General Manager, RBI; 6. G S Hegde, Consultant at Shardul Amarchand Mangaldas and Co, Former Principal Legal Adviser, RBI; 7. Ashish Gupta, Managing Director, Credit Suisse; 8. Mohua Mukherjee, Independent Director on Boards of NBFCs (Speakers during Conference on LIBOR Transition and Benchmark Reforms, Conference on Data Protection, Data Privacy and Data Localization and Program on Governance for Directors on Boards of NBFCs)



review strategies, business models and assurance functions, mindful of governance standards, extant regulations, the existing legal framework and supervisory expectations.

Some of the topics deliberated during the conference were Emerging Trends in the Economy and Challenges for Viability of Financial Intermediation Business Models; Board's Interaction with the Senior Management: Nuances and Niceties; Corporate Governance Framework for NBFCs: Recent Developments; Implementation of Ind AS by NBFCs: A Governance Perspective; Supervisory Observations and Expectations on NBFC Governance; Digital Lending: What Assurance Board Should Seek; Behavioural Dynamics of Board Functioning: Going Along and Standing Up; Enterprise Risk Management in NBFCs: Strategy, Risk, Technology and Performance; Key Legal Provisions Board of Directors Ought to Know; Assurance Functions in NBFCs: Supervisory Concerns.

**CAFRAL Virtual Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs) of Banks, FIs & NBFCs:** This CAFRAL VC deliberated on current and emerging trends relating to the future of work and their potential to alter strategic goals and plans of financial intermediaries. The Conference also sought to explore what immediate and longer-term qualitative workforce adjustments are required as a result.

Topics and issues deliberated in the conference were Emerging Future of Work and HR Strategy; Supervisory Perspective on Skill Gaps; Managing HR and Learning Gaps in Current Times through the CEO Lens; CAFRAL Learning Programs: Approach and Strategies. The participants shared their views and suggestions on the potential role of CAFRAL in building capacity of the top and senior management of banks, financial institutions and NBFCs in the context.



**CAFRAL Virtual Conference of Heads of Inspection & Audit:** The VC deliberated on emerging business scenarios, changing risk environment and the need for redesigning audit strategies, approaches and tools. It also provided a platform to senior internal auditors for cross learning, aided by discussion with regulators and thought leaders in the audit profession to deliberate on the emerging challenges, new audit strategies and innovative approaches to conduct of internal audit. The VC covered topics such as Supervisory Concerns on Audit Assurance Function; Leads in Business and Lags in Controls: How Does Audit Assurance Mind the Gaps; Dynamic Approach to Audit; Use of Advanced Technologies in Internal Audit; Use of Data Analytics in Internal Audit; Enterprise wide Approach to Internal Audit.

**CAFRAL Virtual Learning Program on Financial Frauds & Forensic Audit:** This VLP, one of the flagship programs of CAFRAL, deliberated upon a number of issues with a view to providing both conceptual and technical inputs to the participants on Financial Frauds and Forensic Audit. Some of the sessions emphasized the need to look at detection, monitoring and

1. Rajkiran Rai G, Managing Director & CEO, Union Bank of India; 2. Rajiv Anand, Deputy Managing Director, Axis Bank;  
3. Faridun Dotiwala, Partner, McKinsey; 4. Ramkumar Krishnaswamy, Founder, Leadership Centre Pvt Ltd.  
(Speakers during Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs) of Banks, FIs & NBFCs)



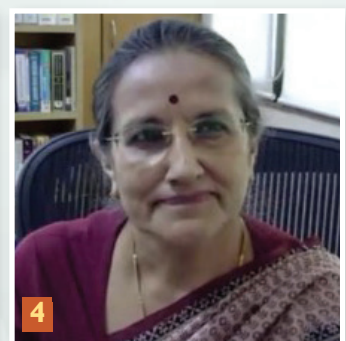
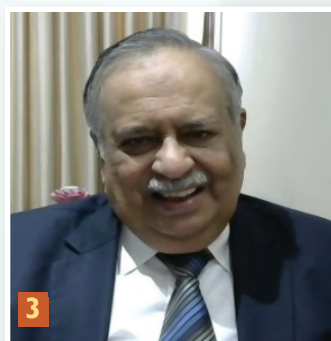
1. D C Jain, Additional Director, Central Bureau of Investigation (CBI); 2. P Sarath Kumar, CA & Senior Partner, M/s Sarath and Associates; 3. Jairam Manglani, Country Financial Crimes Compliance Head & MLRO, Standard Chartered Bank; 4. Sagarika Chakraborty, CEO, IIRIS; (Speakers during Program on Financial Frauds & Forensic Audit)

prevention of financial frauds as also the process of forensic audit from an Enterprise Risk Management perspective.

Topics discussed in the VLP were Financial Frauds and Financial Crimes: Recent Developments and Issues; Fraud Monitoring, Detection and Reporting : Supervisory Expectations; Modern Day Frauds: Case Studies; Fraud and Financial Crime Risk Management; Trade Based Money Laundering and Fraud; Cyber Fraud: V-CIP Issues; Fraud Risk Assessment with Forensic Tools; Fraud Investigation, Fraud Audit and Forensic Audit; Balance Sheet Manipulation and Forensic Accounting; Methods of Investigation– Computer Assisted Audit Techniques (CAATs) for Financial Analysis and Reporting; Digital Investigation; Cyber Crimes: IP Theft and UPI Frauds. In a separate session, various participants shared their experience and the challenges faced by them in the management of Financial Frauds and Financial Crimes.

**CAFRAL Virtual Learning Program on Governance and Assurance for Directors on the Boards of Banks and Financial Institutions:** This two day VLP had three building blocks. The first block dealt with macro and strategic aspects, the second block updated the participants on a range of issues surrounding assurance functions and the third block dealt with technical and behavioural aspects of governance. The objective of the program was to enhance Board effectiveness through insightful inputs on policy and practical aspects of Board governance and functioning, diving deep into some of the core and strategic issues which engaged the attention of Boards. The discussions in this program were led by top professionals with expertise on the issues and rich domain experience.

M K Jain, Deputy Governor, Reserve Bank of India (RBI) delivered the keynote address and B P Kanungo, Director, CAFRAL made opening remarks.



1. M K Jain, Deputy Governor, Reserve Bank of India; 2. B P Kanungo, Director, CAFRAL & Former Deputy Governor, Reserve Bank of India; 3. M Damodaran, Former Chairperson, SEBI; 4. Indrani Banerjee, Additional Director, CAFRAL (Speakers during Program on Governance and Assurance for Directors on the Boards of Banks and Financial Institutions)

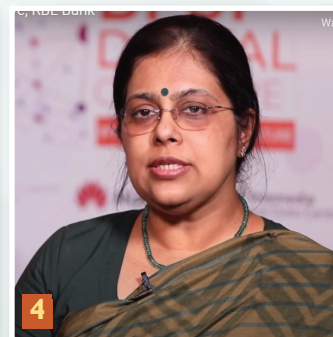


The VLP covered topics such as Emerging Macro Risks and Business Strategy: Governance Challenges; Assurance Board Needs from Audit Function: Issues and Developments; Risk Based Supervision- How Governance and Assurance are Assessed; MSME Lending: Strategy and Risk; Digital Lending: Risk and Opportunities; Related Party Transactions and Conflicts of Interest; Balance Sheet Management - Linkages with Systemic Liquidity; Corporate Governance : The Next Steps; Leads in Business and Lags in Controls: How Advanced Technologies can Bridge Governance Gaps; Risk Assurance, Risk Governance and Board of Directors; Financial Crime Risk Management; ESG Risk and Responsible Governance; and Behavioural Dynamics of Board Functioning.

**CAFRAL Virtual Leadership Program on Advanced Technologies:** This one day virtual leadership program sought to expose participants to certain key aspects of the current and future impact of advanced technologies on banks and FIs, both at systemic and institution levels.

At the same time, it sought to sensitise participants about the potential control and assurance deficits arising out of adoption of advanced technologies by different business functions. Therefore, the need was emphasized for reviewing the existing assurance framework and control architecture, using, inter alia, new technologies with a view to redesigning them, wherever necessary.

Topics discussed in the VLP were Use of Decision Science by Financial Institutions: Analytics for Risk Decision Making; Advanced Technologies for Regulation & Oversight: RegTechs & SupTechs; Digital Lending: Banks and Credit Fintechs; Blockchain Technology and Its Use in Cross Border Remittances and Transactions; Banks, Fintechs and Platform Economies; UI and UX Design Through Advanced Technology for Customer Centricity.



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

1. Paolo Sironi, Global Research Leader, Banking and Financial Markets, IBM Consulting; 2. Dhiraj Rajaram, Founder, Mu Sigma; 3. Navin Gupta, Managing Director, South Asia and Middle East/North Africa, Ripple; 4. Sujatha Mohan, Head-BTG Retail, HDFC Bank (Speakers during Leadership Program on Advanced Technologies)

# Administration and HR

CAFRAL welcomed Prof. Partha Ray, Director, NIBM as its new Governing Council Member. During the year, many new persons joined CAFRAL, while a few left CAFRAL on completing their term or to pursue other opportunities. As on May 31, 2022, CAFRAL has 21 contract staff. CAFRAL welcomed its new Senior Administrative Officer, two Administrative Officers, one Private Secretary, one IT Support Officer and six Research Associates.

The names of CAFRAL staff are given in Annex 3.

## **HR Initiatives**

An internal Committee on Prevention of Sexual Harassment of Women at Work Places has been constituted and made functional. Meetings of the Committee are being held regularly. Recently, a session was held for CAFRAL staff by the NGO member, as a part of the Committee's developmental role to bring awareness and sensitize the staff on the genesis and the legal provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

# Acknowledgements

We would like to acknowledge the valuable guidance given to us by Governor & Chairman, CAFRAL and the other Governing Council members. CAFRAL has received immense benefit from each one of them and is now poised to further develop its research and learning due to the solid foundation given by them in CAFRAL. We are also thankful to the Management and officials of the Reserve Bank of India, various financial services institutions, consulting organisations, academicians and professionals from various fields for their support provided to our activities. Without their unstinted support and encouragement, we would not have been able to reach this stage of development in our journey to achieve our objectives.

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

**B P Kanungo**  
Director, CAFRAL



**CAFRAL - FINANCIAL STATEMENTS**  
**2021-22**

# 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, 2022, 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, on the state of affairs of the Trust as at 31st March, 2022;
- (b) in the case of the Income and Expenditure Account, for the year ended 31st March, 2022.

### **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 Matter

**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 31/03/2022 of Rs. 7,871/-.
- d) All books, deeds, accounts, vouchers or other documents or records as required were produced before us.
- e) Register of movable and immovable properties was updated till 31st March 2022.
- 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 sundry receivable outstanding for more than one year amounting to Rs. 1,180/-
- 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 Board of Governors 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 Board of Governors has any interest in the investments of the Trust.
- e) None of the member of the Board of Governors 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 the auditor may think fit or necessary to bring to the notice of the Deputy or Assistant Charity Commissioner

Place: Mumbai

Date: June 22, 2022

For CHHAJED & DOSHI  
Chartered Accountants  
[FRN No: 101794W]

CA M.P. Chhajed  
Partner  
M. No. 049357  
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, 2022

FUNDS & LIABILITIES	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	
	Rs.	Rs.	
<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	1,78,84,229	1,54,21,840	
Liabilities (As per Schedule "A")	18,95,041	20,63,189	
<b>Income And Expenditure Account:</b>			
Balance as per last Balance Sheet	NIL	NIL	
Add : Surplus/(Deficit) as per Income and Expenditure A/c	NIL	NIL	
<b>TOTAL</b>	<b>2,47,79,270</b>	<b>2,24,85,029</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 CHHAJED & DOSHI  
Chartered Accountants  
[FRN No: 101794W]

CA M.P. Chhajed  
Partner  
M. No. 049357

Place: Mumbai  
Date: June 22, 2022

	PROPERTY & ASSETS	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
		Rs.	Rs.
	<b>Immovable Properties: (At Cost)</b>	NIL	NIL
	<b>Investments:</b>	NIL	NIL
	<b>Movable Properties (Schedule B):</b>		
	Cost	3,30,22,674	3,12,12,625
	Less: Depreciation up to date	3,04,37,147	2,87,19,934
		25,85,527	24,92,691
	<b>Unsecured and Good</b>		
	Sundry Debtors	11,22,640	12,76,123
	<b>Advances:-</b>	37,06,286	54,27,378
	(As per Schedule "C")		
	<b>Income Outstanding:</b>		
	- Interest Accrued on Fixed Deposit	2,62,468	4,46,574
	<b>Cash And Bank Balances:</b>		
	(a) Cash on Hand	7,871	2,690
	(b) In Saving Account with Bank	1,20,94,478	78,39,573
	(b) In Fixed Deposit with Bank	50,00,000	50,00,000
	<b>TOTAL</b>	<b>2,47,79,270</b>	<b>2,24,85,029</b>

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

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING

TRUSTEE

TRUSTEE

TRUSTEE

Place: Mumbai

Date: June 22, 2022

**SCHEDULE - IX [(Vide Rule 17 (1))]**CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING  
Income and Expenditure Account for the year ended 31 March, 2022

Expenditure	For the Year Ended 31 <sup>st</sup> March 2022	For the Year Ended 31 <sup>st</sup> March 2021	Income	For the Year Ended 31 <sup>st</sup> March 2022	For the Year Ended 31 <sup>st</sup> March 2021
	Rs.	Rs.		Rs.	Rs.
To Expenditure in respect of Properties	NIL	NIL	By Training Programme Fees Recovered	1,24,72,000	37,57,625
To Establishment Expenses (As per Schedule "D")	7,92,086	10,43,557	By Bank Interest	6,69,484	7,68,326
To Audit Fees	1,57,500	1,50,000	By Donations in Cash or Kind	NIL	NIL
To Amount written off	NIL	NIL	By Grants	NIL	NIL
(a) Bad Debts					
(b) Loan Scholarship			By Interest on Income Tax Refund	1,38,740	367,796
(c) Irrecoverable Rents					
(d) Other Items					
To Short Provision for Income Taxes of earlier year	NIL	NIL	By Misc Income	29,913	59,458
To Contribution and Fees	NIL	NIL	By Deficit for the year reimbursed by RBI	4,85,37,609	4,56,92,685
To Depreciation (As per Schedule "B")	18,30,440	15,35,599			
To Expenditure on the object of the trust			By Transfer from Reserve	NIL	NIL
- Educational (As per Schedule "E")	5,90,67,720	4,79,16,734			
<b>To Surplus carried over to Balance Sheet</b>					
<b>Total</b>	<b>6,18,47,746</b>	<b>5,06,45,890</b>	<b>Total</b>	<b>6,18,47,746</b>	<b>5,06,45,890</b>

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

As per our report of even date

CENTRE FOR ADVANCED FINANCIAL RESEARCH AND LEARNING

For CHHAJED & DOSHI  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 101794WCA M.P. Chhajed  
Partner  
M. No. 049357

TRUSTEE

TRUSTEE

TRUSTEE

Place: Mumbai  
Date: June 22, 2022Place: Mumbai  
Date: June 22, 2022



**Schedule A: Liabilities**

Particulars	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
	Rs.	Rs.
Expenses Payable	18,38,137	19,90,574
Liability for Tax Deducted at Source	27,824	59,189
Retention Money	23,680	8,426
Profession Tax Payable	5,400	5,000
<b>Total</b>	<b>18,95,041</b>	<b>20,63,189</b>

**Schedule B: Movable Properties**

Name of the Asset	Rate of Depreciation	COST				
		As on 1 <sup>st</sup> April 2021	Additions	Deletions	As on 31 <sup>st</sup> March 2022	
		Rs.	Rs.	Rs.	Rs.	
<b>Tangible</b>						
1. Computer Hardware Including Printers	33.33%	92,57,033	8,68,022	1,07,895	1,00,17,160	
2. Other Electrical Equipment	20.00%	70,24,938	2,89,922	40,000	72,74,860	
3. Furniture	20.00%	16,10,303	-	-	16,10,303	
<b>Intangible</b>						
Computer Software	33.33%	1,33,20,351	8,00,000	-	1,41,20,351	
<b>Total</b>		<b>3,12,12,625</b>	<b>19,57,944</b>	<b>1,47,895</b>	<b>3,30,22,674</b>	
<b>Previous Year</b>		<b>3,05,12,873</b>	<b>7,99,504</b>	<b>99,752</b>	<b>3,12,12,625</b>	

**Schedule C: Advances**

Particulars	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
	Rs.	Rs.
Advance to Creditors	-	5,77,600
GST Input Credit	10,66,082	12,98,965
Deposit	14,000	14,000
Other Receivables	43	208
Tax Deducted at Source	10,68,568	20,52,599
Prepaid Expenses	15,57,593	14,84,006
<b>Total</b>	<b>37,06,286</b>	<b>54,27,378</b>

	DEPRECIATION				Written Down Value (WDV)	
	As on 1 <sup>st</sup> April 2021	During the Year	Deletions	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2022	As on 31 <sup>st</sup> March 2021
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	83,06,119	7,42,584	1,07,893	89,40,810	10,76,350	9,50,914
	65,93,001	1,91,582	5,334	67,79,249	4,95,611	4,31,937
	14,92,184	53,163	-	15,45,347	64,956	1,18,119
	1,23,28,630	8,43,111	-	1,31,71,741	9,48,610	9,91,721
	<b>2,87,19,934</b>	<b>18,30,440</b>	<b>1,13,227</b>	<b>3,04,37,147</b>	<b>25,85,527</b>	<b>24,92,691</b>
	<b>2,72,84,086</b>	<b>15,35,599</b>	<b>99,751</b>	<b>2,87,19,934</b>	<b>24,92,691</b>	<b>32,28,787</b>

## Schedule D: Establishment Expenses

Particulars	For the Year Ended 31 <sup>st</sup> March 2022	For the Year Ended 31 <sup>st</sup> March 2021
	Rs.	Rs.
Administrative Expenses	4,25,576	6,04,881
Sitting Fees paid to Council Members	1,60,000	2,40,000
Facilities Management Expenses	2,06,510	1,98,676
<b>Total</b>	<b>7,92,086</b>	<b>10,43,557</b>

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

Particulars	For the Year Ended 31 <sup>st</sup> March 2022			
	Learning	Research	Total	
	Rs.	Rs.	Rs.	
Administration Expenses	16,49,302	15,04,159	31,53,461	
Program/Seminar/Conference Expenses	5,48,891	-	5,48,891	
Honorarium	6,45,912	-	6,45,912	
Data Service	23,988	52,94,553	53,18,541	
Conference Registration Fees	-	21,919	21,919	
Audio Visual Charges	-	-	-	
Printing and Stationery	45,511	13,004	58,515	
Professional Fees	3,00,900	-	3,00,900	
Salaries and Allowances*	1,64,52,033	3,09,88,594	4,74,40,627	
Travel and Stay Expenses (Visiting Faculty/ Researchers/Participants)	-	-	-	
Travelling and Halting Expenses (staff)	1,14,102	10,018	1,24,120	
Website Maintenance Charges	7,27,397	7,27,397	14,54,794	
Foreign Exchange Loss	40	-	40	
<b>Total</b>	<b>2,05,08,076</b>	<b>3,85,59,644</b>	<b>5,90,67,720</b>	

\*Salaries and Allowances includes remuneration to Director of Rs.42.44 Lakhs for FY 2021-22 (FY 2020-21 - NIL) who is also one of the trustees of the trust.

	For the Year Ended 31 <sup>st</sup> March 2021		
	Learning	Research	Total
	Rs.	Rs.	Rs.
	16,64,913	13,95,457	30,60,370
	74,479	2,044	76,523
	2,42,500	1,40,000	3,82,500
	-	44,24,238	44,24,238
	-	24,837	24,837
	1,900	-	1,900
	17,335	4,953	22,288
	-	-	-
	1,28,10,988	2,58,05,032	3,86,16,020
	42,398	-	42,398
	19,949	38,440	58,389
	6,03,372	6,03,372	12,06,744
	-	527	527
	<b>1,54,77,834</b>	<b>3,24,38,900</b>	<b>4,79,16,734</b>

## Centre for Advanced Financial Research and Learning

### Schedule F

Notes to Accounts annexed to and forming part of the Balance Sheet as on 31st March, 2022 and Income and Expenditure Account for the year ended 31st March, 2022.

#### 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. Expenses on outsourced research projects are recognized on completion of the project and submission of final report.

All direct allocable expenses of Learning and Research are charged to the respective heads. In case of the Administrative/Common Expenses incurred by the Trust are distributed in the ratio of 40:40: 20 between Learning, Research and Establishment Expenses.

##### 3. Fixed Asset and Depreciation:

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

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

**4 Foreign Currency Transactions:**

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

**5 Related Party Transaction:**

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

**6 Operating Leases:**

Leases of Assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under Operating Leases are recognized as an expense on accrual basis in accordance with respective lease agreements. The disclosure as required by AS – 19 – Lease in respect of operating leases in the books of lessee is given in Note No B.3.

**7 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.

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

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

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

1. A notice was received from the Office of the Commissioner, Service Tax IV, Mumbai requiring the Trust to show cause as to why the deficit reimbursed by the Reserve Bank of India during the financial period 2012-13 to 2016-17, should not be considered as a taxable service liable to service tax. A suitable reply has been furnished. Another notice from the office of the Superintendent of Central Tax, Division IV has been received on the same matter for the financial period April 2017 to June 2017. Suitable replies have been furnished.

**2. Impact of COVID-19 on Going Concern:**

Management has considered the existing and anticipated effects of the corona virus outbreak on nature of activities of the trust during the initial stage itself. As the nature of activities are different from other trusts and hence the trust will not be affected. The Fixed Deposits' placed with a leading Bank, does not require any impairment. The trust being funded by Reserve Bank of India, no liquidity issue is foreseen over next 12 months.

The activities of the trust are educational in nature. Due to the COVID 19 pandemic the trust has ensured functioning of trust activities, new initiatives have been implemented for online e-learning and web based programmes. The research wing has also operational during lockdown period with remote access of server, databases and other tools required for research purposes.



### 3. Related Party Disclosure :

Name of the related parties and description of relationship :

1. Key Management Personnel - Shri. Shaktikanta Das, Chairman
2. Key Management Personnel - Shri. M. K. Jain, Member
3. Key Management Personnel - Dr. Michael Debabrata Patra, Member
4. Key Management Personnel - Shri. T. V. Mohandas Pai, Member
5. Key Management Personnel - Dr. Abhiman Das, Member
6. Key Management Personnel – Dr. Prachi Mishra, Member
7. Key Management Personnel - Dr. Pami Dua, Member
8. Key Management Personnel - Dr. Pushpak Bhattacharyya, Member
9. Key Management Personnel - Prof. Partha Ray, Member
10. Key Management Personnel - Shri B. P. Kanungo, Director & Member

Details of Related Parties transactions are as under:

Particulars	Key Management Personnel	
	2021-22	2020-21
	Rs.	Rs.
Remuneration	42,44,447	-
Governing Council Fees	1,60,000	2,40,000

### 4. Leases - Operating Lease:

The Trust has not taken on lease residential premises for Director and Additional Director under Lease Agreements. Lease Rental expenses incurred for this year i.e. FY 2021-22 is NIL (Previous Year – FY 2020-21– Rs.11,11,637/-) included in Salary & Staff Expenses under Schedule E.

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

Signature to Notes A to F

For Chhajed & Doshi  
Chartered Accountants  
FRN No: 101794W

(CA M. P. Chhajed)  
Partner  
M No.: 049357

Place: Mumbai  
Date: June 22, 2022

For Centre for Advanced Financial Research And Learning

(Trustee)

(Trustee)

(Trustee)

Place: Mumbai  
Date: June 22, 2022

# ANNEXES

# Annex 1

## Working/published Papers on CAFRAL Website during FY 2021-22 (April 1, 2021 - March 31, 2022)

1. **Consumption Tax Reform And The Real Economy: Evidence From India'S Adoption Of A Value-Added Tax**  
**Author:** S. K. Ritadhi, Nirupama Kulkarni and Abhay Aneja  
**Date:** July 8, 2021  
**Published:** CAFRAL Website  
**Abstract:**  
 We study the impact of a consumption tax reform on firm capital and productivity by examining India's replacement of the sales tax with a value-added tax (VAT). Unlike the sales tax, the VAT allowed firms to offset their tax liability with VAT paid on capital inputs, effectively reducing the tax-related cost of capital. Exploiting the staggered adoption of the tax reform across Indian states, we show that VAT adoption increased firm capital by 3%. The effects are driven by financially-constrained firms – an important source of heterogeneity in a developing country context. We also document a corresponding improvement in the productivity of financially-constrained firms. Our findings thus suggest that beyond revenue generation, consumption tax reforms can have the additional effect of stimulating investment and productivity in resource-constrained environments.
  
2. **Mortgage Policies And Their Effects On Racial Segregation And Upward Mobility**  
**Author:** Nirupama Kulkarni and Ulrike Malmendier  
**Date:** July 8, 2021  
**Published:** CAFRAL Website  
**Abstract:**  
 We document that housing policies aimed at increasing homeownership and reducing disparities can have adverse consequences, arising from sorting and deteriorating place-based factors. Exploiting variation in the ease of mortgage financing and targeting of underserved neighbourhoods in the 1992 GSE Act, we show that, while Black homeownership increased in targeted neighbourhoods, white families moved out, especially when mortgage financing became more accessible in the surrounding areas. Segregation increased and upward mobility deteriorated among low-income Black families and among those low-income white families who remained. We identify declining house prices, education spending, and school quality in targeted areas as plausible channels.
  
3. **Dollar Liquidity, Trade Invoicing And Real Effects: Evidence From India**  
**Author:** Apoorva Javadekar, Shekhar Tomar and Gautham Udupa  
**Date:** July 29, 2021  
**Published:** CAFRAL Website  
**Abstract:**  
 We provide causal evidence on the linkage between dollar liquidity and dollar invoicing exploiting an unanticipated shock to the dollar financing around the Taper Tantrum. Using the differential funding shock across countries, we test the impact of dollar liquidity on invoicing and imports by Indian firms using transaction-level data. We find that (i) firm-level dollar invoicing drops in response to dollar funding shock with corresponding rise in Euro and producer currency pricing, (ii) local presence of foreign banks allows Indian firms to smooth-out the liquidity shock, and (iii) firms transfer liquidity from one market to another using their internal capital markets to smooth-out country specific funding shocks. We document that firms unable to maintain the level of dollar invoicing are more likely to lose a trade connection.

#### 4. **International Business Cycles - The Role Of Technology And Resource Transfers Via Multinationals**

**Author:** Gautham Udupa

**Date:** December 3, 2021

**Published:** CAFRAL Website

**Abstract:**

I develop a general equilibrium model of trade and multinational production (MP) with firm heterogeneity, market access frictions including a MP sunk cost, technology transfer from multinational parent to affiliate, and physical capital. There is a novel "resource transfer" channel as MP firms enter and exit over the business cycle with their capital. Compared to the resource transfer channel in standard trade models such as Backus et al. [1994], the new channel via multinationals leads to faster capital relocation across countries, which generates greater macroeconomic volatility. Technology transfer within MP firms dampens the effect of the novel resource transfer channel by altering the MP-exporter trade-off. A model calibrated to the United States generates output and net exports volatilities, persistence of most variables, and international consumption correlation closer to the data compared to the no-MP model.



## Learning programs during FY 2021-22 (April 1, 2021 - March 31, 2022)

### 1. CAFRAL Webinar on COVID Stress- Employee Health, Risk and Productivity

**Date** May 11, 2021

**Objective** This CAFRAL Webinar was delivered through 5 short sessions. The sessions sought to explore the developments, issues and challenges as far as COVID stress on employee health risk and productivity is concerned. Experts discussed issues from the regulatory, medical science, HR and leadership perspectives.

#### Coverage

Lessons for HR from COVID Stress; Employee Health during COVID 19 and Operational Risk: SBI Experience; Impact of COVID Stress on Employee Health and Risk: Regulatory Perspective; COVID Stress & Productivity Loss: Through the CEO Lens; COVID Stress and Stressed Employees: Exploring the Vulnerabilities and Managing the Fallout.

### 2. CAFRAL Virtual Learning Program on Retail Lending: Amid and Post Pandemic

**Date** May 28-29, 2021

**Coverage** Retail Lending Business - Options and Strategies Post Pandemic; The New Era Retail Banking; Retail Lending Amid and Post Pandemic –Emerging Regulatory Issues; Customer Engagement and Wealth Management; Collection and Recovery in Retail Loan Portfolios; Credit Scoring Methodologies for Retail Lending– Traditional and Alternatives; FinTech and P2P Lending/Market Place Lending- Competition and Collaboration; New Products and Processes in Retail Lending; Retail Lending - Bankruptcy Laws to Handle Future Stress; User Interface (UI) & User Experience (UX) Designs and Digital Retail Lending; Digital Marketing and Delivery of Retail Credit.

#### Takaways

It was a great learning experience. The program gave an in depth understanding of retail lending trends, opportunities in post pandemic scenario, threats and risk mitigators. The program took a deeper look into a spectrum of topics ranging from international products, RBI perspective to Artificial Intelligence (AI) and Machine Learning (ML) possibilities and interaction with FinTech. It gave an insight into more technological adoption in Retail Lending. This may be continued for next batch also as it will be helpful for retail portfolio.

### 3. CAFRAL Virtual Workshop on Emerging Compliance Landscape

**Date** June 22, 2021

**Coverage** Global Good Practices on Compliance Function; Regulatory and Supervisory Expectations on Compliance Function; Culture of Compliance; Reimagining Compliance Function – The Journey Ahead; Beyond Compliance - Ethics, Code & Conduct; Play Book of Effective Compliance & Recipe for Compliance Failures.

#### Takaways

It gave a lot of insights about the regulatory perspective of compliance, industry practices in management of compliance risks, adoption of enterprise wide compliance culture and co-relation between Ethics and Compliance. A good understanding about the global best practices, regulator's expectations in India and future preparedness of the bank. Further the importance of encouraging a culture of compliance across the organization wherein each and every employee is compliance officer for him/her self.

### 4. CAFRAL Virtual Program on Women Leadership in Financial Sector.

**Date** July 15, 30 & 31, 2021

**Coverage** Women Leaders- Attributes and Issues ; What it takes to succeed as a Women Leader in Finance; Tomorrow's Workplace- Grappling with Challenges Post Pandemic; Introduction to Leadership

Competency Assessment for Tranche II ( Day 2 – July 31, 2021) ; Leadership Competencies; Leading Innovation through Design Thinking; HR Perspective on Women Leadership; Project Work-Participants; Leadership Concepts and Competencies; Leadership Competency Assessment Report Debriefing; Workshop: Creating an Individual Development Plan (IDP); Guided Peer Group Discussion on IDP Creation and Execution.

In exclusive fireside chats with Indrani Banerjee, Additional Director, CAFRAL, Arundhati Bhattacharya, Chairperson & CEO, Salesforce India & Former Chairperson, SBI and Padmaja Chundur, MD & CEO, National Securities Depositories (NSDL) and former MD & CEO, Indian Bank and shared unique insights from their experiences.

### Takeaways

Great sessions with the leading ladies in the industry, inputs from India's and world's best women icons, got to know that women have innate qualities that help them make better leaders. Got opportunity for introspection of our own strengths & weaknesses. Core competencies assessment will give us a thrust to come up in the ladder. Ambition / drive to reach the top positions is most important. Leadership position demands innovation, design thinking and persuasiveness. An enriching experience overall.

## 5. CAFRAL Virtual Learning Program on Strengthening Board Governance - Role and Responsibilities of Senior Management

**Date** August 20-21, 2021

**Coverage** Senior Management: How not to Hedge your Bets; Corporate Governance, Bank Governance and Governance Culture - Striking Optimal Balance between Business and Governance Imperatives; Interacting with the Board, its Committees and their Members – Perspectives and Nuances; Making an Effective Presentation to the Board; Engaging with the Boards - How to have a Mutually Successful Relationship; Board Meetings and Processes – An Overview of Legal, Regulatory and Governance Requirements; Issues and Deficits in Board / Board Committee Agenda Notes; Drafting and Recordal of Board/Agenda Notes; Role of Senior Management in Board Processes – Expectation of Capital Market Regulator; Role of Senior Management in Board Deliberations.

### Takeaways

Very useful program with lots of takeaways and extensive coverage. Interaction with industry experts provided insights about good governance practices. It is going to be very helpful in future participation in Board meetings. Excellent program. Deductive v/s Inductive way of presenting. Conscience overrules any other compulsion. Board and management are two sides of the same coin and transparency is key.

## 6. CAFRAL Virtual Learning Program on Agro MSME Lending.

**Date** August 26-27, 2021

**Coverage** Agro MSMEs and the Indian Economy; Agro Enterprises in Super Value Chains: Opportunities for Bank Lending; Emerging Contours of Agri-Value Chain Finance – Opportunities, Practices and Enablers; FinTechs in Agro MSME Financing-. Financing Super Value Chains, lending to Impact Agriculture and Social Enterprises; Financing Agro MSMEs: Agri -Business Models and Regulatory Developments; Lending to FPOs: Issues, Challenges and Emerging Trends; Lending to Agro-MSMEs: SBI's Business Strategy and Product Bouquet; Climate Smart Financing of Agro – MSMEs: Introduction, What is Climate Smart Financing, Climate Smart Agro MSME Financing, Current Practices, Development and Way Forward; Agri Start-ups in Agro MSME Sector- Opportunities and Challenges in Financing.

### Takeaways

The program helped in building an innovative credit model to get the market share from the opportunities the sector offers. Well researched and covered all aspects. All the faculty were masters in their field and provided very valuable inputs which are very practical. Sessions are interactive. We can hear from some of the progressive farmers or a good FPO regarding their requirements. Really wonderful. Hope such programs are frequently shared without fee restrictions, so that maximum participation can be ensured. Further, doubling of farmers' income will not be by increasing productivity but by value addition. Farmers should be enabled to participate in the entire value chain. A Comprehensive value

chain analysis of a few important agri and horticulture crops to understand financing requirements.

## 7. CAFRAL Virtual Conference on Central Bank Digital Currencies: What, Why & How.

**Date** August 31, 2021

**Coverage** Central Bank Digital Currencies (CBDC): Policy Perspectives; CBDCs: An Enabler or Disruptor; CBDCs: Design and Strategy Issues; CBDCs: Cross Country Developments.

### Takeaways

An excellent initiative. This Conference should be conducted annually. Got a good understanding of the current status of research into and implementation of CBDCs in other countries. The event was timely with deliberations on topical issues.

## 8. CAFRAL Virtual Conference on Green and Sustainable Finance

**Date** September 16, 2021

**Coverage** Green Finance - How to Make Money While Saving the Planet; Global Leadership in Green Finance: The Indian Case; Managing Risk in Green Finance; Recent Indian Experiences in Green and Sustainable Finance; Regulatory Framework for Green and Sustainable Finance; Economics of Green Finance.

### Takeaways

Got a fair idea on the challenges related to climate change and very good insight on green and sustainable finance and various risks associated. Learnt a great deal about what are the constraints, possible ways out and relevant methodologies. Apart from this, learnt a great deal about green finance. A good understanding of specific points from the regulatory perspective for Indian corporates and financial institutions. Request functional capacity building initiatives on this topical subject.

## 9. CAFRAL Virtual Learning Program on Enterprise Risk Management

**Date** September 28-29, 2021

**Coverage** Enterprise Risk Management: Strategy, Risk & Performance; Embedding Risk Culture and Risk Governance in ERM; Risk Appetite, ICAAP and ERM; Risk Governance, Data Aggregation and Risk Reporting; Implementation of ERM - Experience Sharing; Improving Data Protection and Data Privacy through ERM; Extended Enterprise Risk Management – An Introduction; How to Manage Cloud Computing Risk under ERM; Cyber Risk and ERM; Fireside Chat: ERM through CEO's Lenses; Integrating Climate Risk into Enterprise Framework; ERM and Supervisory Review.

### Takeaways

Emerging risks like ESG, Climate, Cyber and other such risks to be acknowledged and included in the ERM Documents. ICAAP is a good starting place to take the ERM journey forward. Those handling Retail Risk have learned & gained knowledge on ERM & other emerging risks, which can be put into practice. Good insight on ERM, Strategy for implementation of ERM, ERM software solutions, Risk Culture, Risk Governance, Cyber Risk Management, Data Privacy, Data Risk, Cloud Computing Risk and Climate Risk. Better equipped to implement an effective ERM process.

## 10. CAFRAL Virtual Learning Program on Compliance for Senior Officers at Axis Bank

**Date** October 18 - 20, 2021

**Coverage** Key Regulatory Changes for Banks; Enforcement Actions by Reserve Bank of India: How and Why; Compliance Relating to Financial Crime: Key Aspects; Compliance Culture: What it is and How to Build it; Good Compliance Practices Amongst Banks in India; Compliance and Regulatory Risk; Governance Perspective of Compliance: Ethics, Conduct, Reputation & Risk; Compliance with FEMA and RBI Regulations on Forex Transactions: Investment; Compliance with FEMA and RBI Regulations on Forex Transactions: Trade; Management of Compliance Function; Compliance Risk Assessment under Risk Based Supervision; Compliance by Banks with Key Legal Provisions; Compliance with Capital Market Regulations; Compliance in a Digital Era; Complying with Regulatory Prescriptions on Consumer Protection and Handling Customer Complaints & Grievances.

### Takeaways



The program was very insightful and enriching. Compliance Risk Assessment was a major takeaway. Key Regulatory Changes for Banks, Compliance Culture, Good Compliance Practices Amongst Banks in India, Compliance Risk Assessment Under RBS, Compliance in a Digital Era and compliance culture were discussed in depth. The content was lucid and relevant. The speakers made it easy to understand each concept.

#### **11. CAFRAL Virtual Conference of Chief Financial Officers (CFOs)**

**Date** November 9-10, 2021

**Coverage** Supervisory Expectations on Finance & Accounts Function; Finance Function in Banks: Controls, Risks and Governance; Aligning Bank's ESG and Financial Goals; What ACB and Board Expects from CFO; Risk Appetite Statement and CFO; Balance Sheet Optimisation; CFO & Capital Market; Blockchain Technology, Artificial Intelligence and Robotic Process Automation in Finance Function; Enterprise Risk Management and CFO; Emerging Role of CFO in Digital Era; CFO: Traditional and Evolving Mandates.

#### **Takeaways**

The role and responsibilities of the CFO is continuously expanding and are becoming more complex. There is need to continuously update our knowledge to meet the growing complexities. There were detailed discussions on various roles and responsibilities of a CFO in a financial institution, future roles in a digital era, expectations of various stakeholders etc. Learnings from the discussions in the conference is expected to bring more improvement in the functioning of the CFO in a professional manner.

#### **12. CAFRAL Virtual Conference on LIBOR Transition and Benchmark Reforms**

**Date** December 23, 2021

**Coverage** Preparedness for LIBOR Transition: Regulatory Assessment; Preparedness for LIBOR Transition: Experience Sharing; Valuation of LIBOR Linked Loans, Bonds and Deposits; LIBOR Transition - Beyond MIFOR: Where Do We Stand; LIBOR Transition: A Cross Country View.

#### **Takeaways**

The coverage was thorough. The conference will enable filling up of the gaps in our preparation for this transition. Valuation methods explained was very useful to the participants. Since first few months are going to be critical in terms of price discovery and spread settlement, this will give further insight to market players on the spreads to be loaded. Preparedness for LIBOR transition from market participants such as SBI, ICICI Bank and HSBC India was very informative and illustrative. More clarity on ARR usage & Impact on valuations was provided. Very timely and useful sharing of perspectives.

#### **13. CAFRAL Virtual Conference on Data Protection, Data Localization and Data privacy**

**Date** December 27, 2022

**Coverage** Data protection and Data Privacy: Current Issues; Legal and Regulatory Framework for Data Privacy: Current and Emerging Regimes; New Frontiers of Data Protection and Cyber Security; Data Localization: Regulatory Outlook and Issues; Bank Data Offshoring and Supervisory Requirements; Cloud Adoption and Adoption of New Technologies; Data Protection in Banks: Current and Emerging Frameworks - Data protection by design and by default, Storage and management of Personally Identifiable Information (PII).

#### **Takeaways**

Preparatory requirements for banks in the backdrop of Data Protection Bill are crucial. Useful sessions on risk assessment for data privacy & data protection, data privacy by design and default, challenges in implementation of such a complex and a rather new law for India, new frontiers in data protection and cyber security, challenges for supervisors as regards offshore data outsourcing is concerned, cloud adoption and cloud risk considerations. Overall the conference has been exhaustive. The Conference provided great insight into data protection, data privacy, data localization and cloud adoption. Adoption of new technologies in cloud environment was really helpful to understand migration to Cloud with proper safeguards. The program was well structured and definitely added value to our knowledge. Clear distinction between roles & responsibilities of banks & cloud service providers was given.



**14. CAFRAL Virtual Learning Program on Governance for Directors on Boards of NBFCs****Date** January 24-25, 2022**Coverage** Emerging Trends in the Economy and Challenges for Viability of Financial Intermediation Business Models; Board's Interaction with the Senior Management: Nuances and Niceties; Corporate Governance Framework for NBFCs : Recent Developments; Implementation of Ind AS by NBFCs: A Governance Perspective; Supervisory Observations and Expectations on NBFC Governance; Digital Lending: What Assurance Board Should Seek; Behavioural Dynamics of Board Functioning: Going Along and Standing Up; Enterprise Risk Management in NBFCs: Strategy, Risk, Technology and Performance; Key Legal Provisions Board of Directors Ought to Know; Assurance Functions in NBFCs: Supervisory Concerns.**Takeaways:**

Topics were well designed with some sessions about preliminary and general matters meant for all NBFCs and others for participants who have varied and long experience in the sector. The program gave a very good overview of the role of independent directors. It also provided a useful focus on good corporate governance practices.

**15. CAFRAL Virtual Conference of Chief Human Resource Officers (CHROs) and Chief Learning Officers (CLOs)****Date** February 10, 2022**Coverage** Emerging Future of Work and HR Strategy; Supervisory Perspective on Skills Gaps; Managing HR and Learning Gaps in Current Times through CEO Lens; CAFRAL Learning Programmes- Approach and Strategies; Round table.**Takeaways:**

It was a very good forum to discuss the current problems in HR given the current pandemic and the related changing work environment. Clear understanding of CAFRAL's service repository, needs of peer banks vis-a-vis own bank. Understood some emerging technologies. HR & Training verticals need to anticipate and plan for a rapidly changing industry environment and work-culture, while deepening the connect with employees.

**16. CAFRAL Virtual Conference of Heads of Inspection & Audit****Date** February 18, 2022**Coverage** Supervisory Concerns on Audit Assurance Function; Leads in Business and Lags in Controls: How Does Audit Assurance Mind the Gaps; Experience Sharing - Dynamic Approach to Audit; Use of Advanced Technologies in Internal Audit; Use of Data Analytics in Internal Audit; Enterprise wide Approach to Internal Audit- Introduction, Case studies.**Takeaways:**

Program provided good insight into Information Security Audit and other types of audits including Risk Based Audit, their respective scope, methodology and use of management tools, precautions to be taken while engaging external auditors. Threw light on how to proactively use Audit/Inspection results to make better business decisions.

**17. CAFRAL Virtual Learning Program on Financial Frauds and Forensic Audit****Date** March 02-03, 2022**Coverage** Financial Frauds and Financial Crimes: Recent Developments and Issues; Financial Frauds and Financial Crimes: Recent Developments and Issues; Fraud Monitoring, Detection and Reporting : Supervisory Expectations; Modern Day Frauds: Case Studies; Fraud and Financial Crime Risk Management; Trade Based Money Laundering and Fraud; Cyber Fraud: V-CIP Issues; Fraud Risk Assessment with Forensic Tools: Excel Techniques, Data Analytics, Red flag case studies; Fraud Investigation, Fraud Audit and Forensic Audit: Organisation Arrangements, co-ordination with Financial Risk Management and Operational Risk Management Functions, Inter-linkages with ERM; Balance Sheet Manipulation and Forensic Accounting; Methods of Investigation- Computer Assisted Audit Techniques (CAATs) for Financial Analysis and Reporting; Digital Investigation; Cyber Crimes: IP Theft and UPI Frauds.

**Takeaways:**

While the whole program was aptly designed and useful, sessions on modern day frauds case studies and balance sheet manipulation & forensic audit were highlights of the program. The key learnings were the various powerful tools for financial analysis and reporting, experiences on the ERM framework adopted by banks and use of digital forensics in fraud detection. A good learning takeaway was insights into the EWS and fraud and risk capture within the organisation.

**18. CAFRAL Virtual Learning Program on Governance and Assurance for the Directors on the Boards of Banks and Financial Institutions**

**Date** March 10 & 11, 2022

**Coverage** Emerging Macro Risks and Business Strategy: Governance Challenges; Assurance Board Needs from Audit Function: Issues and Developments; Risk Based Supervision- How Governance and Assurance are Assessed; MSME Lending: Strategy and Risk; Digital Lending: Risk and Opportunities; Related Party Transactions and Conflicts of Interest; Balance Sheet Management - Linkages with Systemic Liquidity; Corporate Governance: The Next Steps; Leads in Business and Lags in Controls: How Advanced Technologies can Bridge Governance Gaps; Risk Assurance, Risk Governance and Board of Directors; Financial Crime Risk Management; ESG Risk and Responsible Governance; Behavioural Dynamics of Board Functioning.

**Takeaways:**

Provided new learning opportunities in respect of emerging risks & threats to business. The program dealt with a whole gamut of expectations from the board and its committees. Good insight into Corporate Governance. Leads in business and lags in controls was a new and useful topic. ESG, a current topic, was presented in simple clear terms. Got greater clarity on how CEO should interact with and inform the independent directors. Larger view of the multi-dimensional risk based approach to Governance & Assurance; insight into role of Internal Audit-Forward looking, digital transformation/advanced technology & how tech can bridge governance gaps, given that digital transformation is a big agenda for all banks.

**19. CAFRAL Virtual Leadership Program on Advanced Technologies**

**Date** March 28, 2022

**Coverage** Open Banking, API and Account Aggregation; Use of Decision Science by Financial Institutions: Analytics for Risk Decision Making; Advanced Technologies for Regulation & Oversight: RegTechs & SupTechs; Digital Lending: Banks and Credit Fintechs; Blockchain Technology and Its Use in Cross Border Remittances and Transactions; Banks, Fintechs and Platform Economies; UI and UX Design Through Advanced Technology for Customer Centricity.

**Takeaways:**

The VLP definitely created impact with inputs from the perspectives of different speakers who are domain experts. Topics such as Role of Account Aggregators in Open Banking, Decision Science for complex problems were very useful. The need for a problems repository for an organisation and the use of block chain technologies for remittances were key takeaways. Discussion on the correct emphasis of UI & UX – Customer centricity and implementation of customer preferences in our organisation was also useful.



# Annex 3

## **CAFRAL Team, as on May 31, 2022**

1. Bibhu Prasad Kanungo, Director
2. Indrani Banerjee, Additional Director, Learning & Administration
3. Pramod Kumar Panda, Senior Program Director
4. Dr. Nirupama Kulkarni, Research Director
5. Dr. Gautham Udupa, Research Director
6. Dr. Kaushalendra Kishore, Research Director
7. Sunita S Ratanpal, Senior Administrative Officer
8. Dr. Hari Babu Varshney, Administrative Officer
9. Monica Monteiro, Administrative Officer (Research)
10. Ashok Bathija, Private Secretary to Additional Director
11. Nimesh Gopiyani, Accounts Officer
12. Anup B Sonawane, Web Content Manager
13. Pushpalata Nadar, Program Officer
14. Charulatha Ramesha, Program and Relationship Officer
15. Trupti Kanade, Junior Accounts Officer
16. Chandrakant Kolase, IT Support Officer
17. Siddhant Bharti, Research Associate
18. Tanisha Agrawal, Research Associate
19. Aditya Kiran, Research Associate
20. Kanika Goel, Research Associate
21. Sowmya Gayathri Ganesh , Research Associate



## Notes

This image shows a full page of white paper with horizontal grey ruling lines. A large, light-grey watermark is visible diagonally across the page, featuring a stylized letter 'A' and some illegible text. In the top-left corner, there is a small cluster of grey dots of varying sizes. The rest of the page is empty except for the lines and watermark.

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and Learning (CAFRAL)**

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