

Centre for Advanced Financial Research and Learning

NEWSLETTER

December 2025 - January 2026

www.cafral.org.in



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PROGRAMS CONDUCTED

- ▶ Program on Know Your Customer (KYC) and Anti-Money Laundering (AML) | **December 15, 2025**
- ▶ Program for Company Secretaries and Secretaries to the Boards of Banks, FIs and NBFC | **December 16, 2025**
- ▶ Annual Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): Reinventing HR Strategy for the AI-Native Era | **December 17, 2025**
- ▶ Conference on Data Protection and Data Privacy | **January 06, 2026**
- ▶ Program on Digital Banking | **January 13, 2026**
- ▶ Program on Climate Change and Sustainable Finance | **January 21, 2026**

Program on Know Your Customer (KYC) and Anti-Money Laundering (AML)

CAFRAL organized a one-day Program on Know Your Customer (KYC) and Anti-Money Laundering (AML) on December 15, 2025. Shri C Sankaranarayanan, Senior Program Director, CAFRAL, provided an overview of the evolving KYC-AML landscape, highlighting emerging regulatory expectations, risk management challenges, and the need for robust compliance frameworks.

In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, emphasized the critical role of strong governance, effective supervision, and proactive adoption of best practices to combat financial crime.



The programme provided comprehensive coverage of KYC & AML risk management, addressing emerging regulatory, supervisory, and financial crime-related issues. It highlighted evolving regulatory and compliance expectations from the perspective of the Reserve Bank of India, along with key supervisory observations on KYC & AML compliance supported by practical use cases that brought out common gaps and good practices. Detailed discussions were held on the Central KYC Registry, focusing on the role, responsibilities, and compliance obligations of regulated entities, with emphasis on data accuracy and timely reporting. The programme also examined financial crime from an intelligence and enforcement perspective through insights from the Financial Intelligence Unit – India, covering emerging typologies, reporting requirements, and coordination mechanisms. In addition, the KYC & AML framework, key risks, mitigation strategies, and recent fraud case studies were discussed, along with an in-depth focus on Trade-Based Money Laundering (TBML), including associated risks, red flags, and effective control measures.

The program concluded with a heartfelt vote of thanks by Shri C Sankaranarayanan, reiterating the importance of continuous learning and collaborative efforts in strengthening KYC and AML frameworks.



Program for Company Secretaries and Secretaries to the Boards of Banks, FIs and NBFC

CAFRAL conducted a one-day program for Company Secretaries and Secretaries to the Boards of Banks, Financial Institutions, and NBFCs on December 16, 2025. The program overview was presented by Shri C. Sankaranarayanan, Senior Program Secretary Director, outlining the structure and key areas of discussion for the day. In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, emphasized the critical role of Company Secretaries in strengthening corporate governance, compliance, and ethical standards.



The program commenced with a session delivered by Shri V. S. Sundaresan, Former Executive Director, Securities and Exchange Board of India, who provided an overview of governance frameworks and the responsibilities of Company Secretaries in upholding ethical standards and regulatory compliance. This was followed by a session led by Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, highlighting the evolving expectations of the profession in a dynamic regulatory and business environment. Subsequently, Shri Deep Mani Shah, Chief General Manager, Securities and Exchange Board of India, addressed the participants, focusing on the role of Company Secretaries in navigating SEBI regulations and capital market compliance. A detailed session was conducted by Shri Narayan Shankar, Former Executive Vice President and Company Secretary, Mahindra & Mahindra Ltd., which provided practical use case studies on disclosure and transparency under the SEBI (LODR) Regulations and the related regulatory framework. The program further featured a session by Shri G. K. Subramaniam, Partner, Deloitte Haskins & Sells LLP, offering insights into statutory audit processes and disclosure requirements. The concluding session was delivered by Smt. Shailashri Bhaskar, Former Deputy General Manager, Securities and Exchange Board of India, who comprehensively covered the scope, methodology, and importance of secretarial audits in ensuring robust compliance systems.

The program concluded with a heartfelt thanks from Shri C. Sankaranarayanan, Senior Program Director, CAFRAL, who expressed his gratitude to all the speakers and participants from banks, financial institutions, and NBFCs for their active engagement and valuable contributions to the program.



Annual Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): Reinventing HR Strategy for the AI-Native Era

CAFRAL organized the Annual Conference of Chief Human Resources Officers (CHROs) and Chief Learning Officers (CLOs): Reinventing HR Strategy for the AI-Native Era, bringing together senior HR and Learning Heads from banks and financial institutions to deliberate on the transformative impact of AI on people, leadership, and capacity development. Shri Kamal P. Patnaik, Senior Program Director, provided an overview of the conference, underscoring the urgent need for HR and Learning Headers to proactively respond to the changing nature of work, skills, and leadership due to an AI-driven environment. Shri Manas Ranjan Mohanty, Additional Director, in his inaugural address, emphasized the strategic role of HR and L&D functions in empowering institutions to navigate technological disruption while preserving ethical, inclusive, and human-centric values. The keynote address was delivered by Shri P. Vasudevan, Executive Director, Reserve Bank of India and Director, CAFRAL, who spoke on the Role of AI and GenAI and the challenges and opportunities for the Indian Financial Sector. He highlighted the transformative potential of AI while underscoring the importance of governance, risk management, and human oversight in its adoption.



Shri D. Surendran, Executive Director, Punjab National Bank, delivered a session on Building Leadership Pipeline and Succession Planning in a Fast-changing Digital Landscape, focusing on preparing future leaders with the right mix of digital capabilities, adaptability, and institutional values. Shri Soumendra Mattagajasingh, Group Chief Human Resources Officer, ICICI Bank Ltd., discussed Building a Future-ready Workforce to Navigate the AI-Native Era, sharing insights on reskilling, talent mobility, and aligning workforce strategies with emerging business models.

The conference also featured a special address by Dr. Kalpanaa Sankar, Managing Director & CEO, Varashakti Housing Finance and Co-Founder, Hand-in-Hand India, on Expanding Access to Micro-credit through AI, highlighting how technology can drive financial inclusion and social impact.

A panel discussion on “Future is Now – Are We Ready?“, moderated by Shri Manas Ranjan Mohanty, brought together Dr. Kalpanaa Sankar and Shri Shailendra Singh, Chief General Manager, Bank of Baroda, who shared perspectives on institutional readiness, leadership preparedness, and the evolving expectations from HR and learning leaders in an AI-driven financial ecosystem.

The conference concluded with reflections on the critical role of strategic HR leadership and continuous learning in enabling financial institutions to successfully navigate the transition to the AI-native era.



Conference on Data Protection and Data Privacy

CAFRAL conducted a one-day conference on Data Protection and Data Privacy on January 06, 2026. The conference overview was presented by Shri C. Sankaranarayanan, Senior Conference Director, outlining the topics for deliberation during the day. In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, emphasized the who underscored the significance of robust data protection frameworks, regulatory preparedness, and institutional accountability in the context of the evolving digital and regulatory landscape.



The conference discussed the evolving landscape of data protection and privacy, highlighting emerging issues and new challenges in safeguarding personal data in an increasingly digital environment. Deliberations focused on the Digital Personal Data Protection (DPDP) Act and Rules, examining the compliance framework, implementation imperatives, and the practical challenges faced by regulated entities. The conference also explored DPDP implementation from an operational perspective, with emphasis on the role of tools, technology solutions, and automation in enabling effective compliance. Considerable attention was given to organisational preparedness and the development of structured roadmaps for compliance with DPDP requirements. The discussions further addressed data protection impact assessments and third-party (vendor) privacy risk assessments, underscoring key challenges, governance structures, and accountability mechanisms. The conference concluded its thematic coverage by examining data security and cybersecurity, focusing on the establishment of robust guardrails, resilience frameworks, and institutional readiness to mitigate cyber risks and strengthen overall data protection ecosystems.

The conference concluded with a heartfelt thanks from Shri C. Sankaranarayanan, Senior Conference Director, CAFRAL, who expressed his gratitude to all the speakers and participants from banks, financial institutions, and NBFCs for their active engagement and valuable contributions to the conference.



Program on Digital Banking

CAFRAL organised a one-day Program on Digital Banking on January 13, 2026. The program facilitated a comprehensive review of the evolving digital banking ecosystem, addressing both emerging challenges and regulatory expectations. Shri C. Sankaranarayanan, Senior Program Director, CAFRAL, provided an overview of the structural and control-process adjustments required to harness advanced technologies. In his inaugural address, Shri Manas Ranjan Mohanty, Additional Director, CAFRAL, shared critical perspectives on the emergence of AI, the interconnected financial ecosystem, and the rising threat of cybercrimes.



The session on “Digital Banking – Innovation & Transformation: Regulatory Architecture and Expectations” by Shri Suvendu Pati, Chief General Manager, Fintech Department, Reserve Bank of India, provided valuable insights into the evolving regulatory architecture for digital banking initiatives and supervisory expectations of regulated entities when adopting innovative digital solutions. The programme offered comprehensive coverage of the intersection of technology and compliance, providing a strategic roadmap for balancing digital transformation with robust risk management and data security. Detailed discussions examined the evolving fintech landscape, focusing on how Open Banking, API ecosystems, and Neo-banking create both growth opportunities and systemic risks. The transformative power of Generative AI and Machine Learning was also examined, with an emphasis on revolutionising credit scoring and fraud detection while maintaining ethical standards and algorithmic transparency.

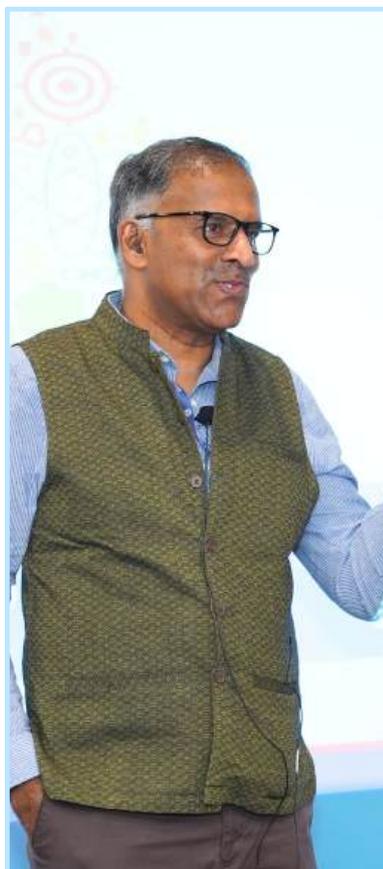
A key highlight was an interactive deep-dive into three pivotal initiatives of the Reserve Bank of India. The session on the Unified Lending Interface (ULI) by Shri Brijesh Baisakhiyar, Deputy General Manager, Fintech Department, RBI, provided insights into the ULI framework and its implementation. This was followed by a presentation on new technology tools, including the AI-enabled “Mule Hunter” framework for detecting and preventing money mule accounts, and an in-depth session on the evolving framework for Central Bank Digital Currency (CBDC) by Shri Sirin Kumar, General Manager, Fintech Department, RBI.

The program concluded with a vote of thanks by Shri C. Sankaranarayanan, Senior Program Director, CAFRAL, reiterating the importance of building institutional capabilities to navigate the opportunities and risks arising from the digital transformation of the banking sector.



Program on Climate Change and Sustainable Finance

CAFRAL conducted a one-day Program on Climate Change and Sustainable Finance on January 21, 2026. The program overview was presented by Shri Kamal P Patnaik, Senior Program Director, outlining the structure and key areas of discussion for the day. Shri Manas Ranjan Mohanty, Additional Director, CAFRAL underscored the growing importance of integrating climate change considerations and sustainable finance into institutional strategy and risk frameworks.



The program commenced with a compelling Keynote Address on “India’s Climate Commitments to UNFCCC: Regulatory Landscape & Disclosure Framework” delivered by Shri Sunil Nair, Chief General Manager, Department of Regulation, Sustainable Finance Group, Reserve Bank of India, who outlined India’s evolving regulatory architecture, disclosure expectations, and the alignment of the financial sector with global climate commitments. This was followed by an insightful session on “BRSR Core Reporting – From Voluntary to Mandatory Disclosure Framework: Addressing ‘Greenwashing’ Risks in Corporate Reporting” by Shri Antony Jose, Chief Rating Officer of Acuite Ratings & Research Ltd. The post-lunch technical session on “Use of AI/Gen AI for Better Climate Risk Assessment: Use Cases from Global Experience” was handled by and Shri Mohit Jain, Chief Analytical Officer, Acuite Ratings & Research Ltd was very astute. Thereafter, Shri Kamal P. Patnaik, Senior Program Director, CAFRAL, delivered a thought-provoking session on “India’s ‘Panchamrit’ Targets: The Golden Opportunities for the Indian Financial Sector,” highlighting the strategic role of financial institutions in supporting India’s net-zero ambitions and sustainable growth trajectory. The deliberations continued with Shri Amit Khandelwal, Deputy General Manager, Climate Risk Group, State Bank of India, who conducted a practical session on “Building ESG Dashboards by Bridging Data Gaps in Climate Risk Assessment,” focusing on data integration, risk metrics, and implementation challenges. The program concluded with a high-impact Panel Discussion on “Road Map for 2030: Implementing Sustainable Climate Financing Models in Banks/NBFCs/FIs towards a ‘Viksit Bharat’,” moderated by Ms. Jaicy Paul, Chief General Manager, ESG & Climate Finance Unit, State Bank of India, with eminent panelists Ms. Shobana Chawla, Executive Director, Standard Chartered Bank, and Ms. Rama Patel, former Chief Rating Officer (ESG), CRISIL, who shared strategic insights on scaling sustainable finance, strengthening institutional capacity, and advancing climate-aligned financing frameworks to support India’s 2030 vision.

The program concluded with a heartfelt thanks from Shri Kamal P Patnaik, Senior Program Director, CAFRAL, who expressed his gratitude to all the speakers and participants from banks, financial institutions, and NBFCs for their active deliberations and valuable contributions to the program.



Newspaper Articles:

'The Evolution of Pension Reforms in India' by Akshaya Ranganath and Dr. Shreya Bhattacharya in The Hindu, Dec 8, 2025

"Future of work: India's youth under the new Labour Codes" by Devika Vinod and Dr. Meenakshi Shekhar, The Hindu, Jan 28, 2026

Policy Article:

'Promoting Innovation: Lessons from R&D Tax Credits in India' by Dr Sankalp Mathur in VoxDev, 18th December, 2025

"Closing the Mobile Gender Gap: What we learned three years after distributing smartphones in Malawi", by Dr. Shreya Bhattacharya in BRAC Institute of Governance and Development, Jan 20, 2026

Conference/Seminar Presentation:

- "The Effects of Smartphones versus Cash on Women's Economic Empowerment: Experimental Evidence from Malawi", Dr. Shreya Bhattacharya, International Conference on Digitalization, Market and Society co-organised by IISER Mohali and Brandeis University, USA, Dec 3-5, 2025
- "Who Lends When It Floods? Banks vs Non-Banks", Dr Sankalp Mathur, 4th Joint Annual Workshop of the ESCB Research Cluster Climate Change and NGFS Expert Network Research, Banco de España, Dec 4-5 2025
- 'Identifying Hand-to-Mouth Households: Evidence from India', Dr Aditi Singh, Econometric Society European Winter Meeting, Dec 7-9 2025
- Presentation by Dr. Nirupama Kulkarni at 'UPI at 10: Insights from the Ground' organized by Artha Global, Dec 11, 2025
- 'Disparities in Home Loans: Evidence from India', Dr Nirupama Kulkarni, ISB NBER Annual Conference, Dec 12-14, 2025
- 'Sluggish Growth or Premature Decline? A Comparative Study of Indian Industrialization with China', Dr. Meenakshi Shekhar, RBI Chair Quarterly Discussion, Gokhale Institute of Politics and Economics, Dec 16, 2025
- 'Desirability of Competition in Currency of Invoicing', Dr. Gautham Udupa, 21st Macroeconomics and Finance Conference, IGIDR, Dec 15-17, 2025
- 'Should banks' regulatory capital reflect unrealized capital gains and losses? A quantitative assessment, Dr. Vedant Agarwal, 21st Macroeconomics and Finance Conference, IGIDR, Dec 15-17, 2025
- 'The Pro-Competitive Gains and Losses from Trade Around the World', Dr. Sankalp Mathur, 21st Macroeconomics and Finance Conference, IGIDR, Dec 15-17, 2025 (Received Subir Gokarn Best Paper Award)

- Presentation by Dr Vidhya Soundararajan at Firms, Markets & Growth Workshop, Shiv Nadar University, Dec 17, 2025
- 'Optimal Deposit Insurance in a Macroeconomic Model with Runs', Dr. Vedant Agarwal, 20th Annual Conference on Economic Growth and Development, ISI, Dec 18-20, 2025
- 'Credit Supply Shocks, Reallocation, and Real Outcomes', Dr Vidhya Soundararajan, Annual Conference on Economic Growth and Development, ISI, Dec 18-20, 2025
- 'Sluggish Growth or Premature Decline? A comparative study of Indian Industrialization with China', Dr. Meenakshi Shekhar, 7th Annual Economics Conference, Ahmedabad University, Jan 9-10, 2026 **(Received Best Paper Award in Macroeconomics)**
- Discussant, Dr. Meenakshi Shekhar, 5th Macroeconomics Conference, Shiv Nadar University, Jan 16-17, 2026
- 'The Long Road Ahead: Exploring Health and Labor Market Outcomes of Mandatory Retirement Ages in India', Dr. Shreya Bhattacharya, 7th Annual Economics Conference, Ahmedabad University, Jan 9-10, 2026
- 'Identifying Hand-to-Mouth Households: Evidence from India', Dr. Aditi Singh, 7th Annual Economics Conference, Ahmedabad University, Jan 9-10, 2026
- Discussant, Dr. Aditi Singh, 5th Macroeconomics Conference, Shiv Nadar University, Jan 16-17, 2026
- "Should banks' regulatory capital reflect unrealized capital gains and losses? A quantitative assessment," Dr Vedant Agarwal, 5th SNU Macroeconomics Conference, Shiv Nadar University, Delhi-NCR, January 16-17, 2026

New working papers:

- **Unequal Transmission: Monetary Policy and Household Consumption in India**
Authors: Aditi Singh (with Fiorella Pizzolon)

Abstract: This paper provides new empirical evidence on the effects of monetary policy shocks on household consumption, income, and employment in a large developing economy. Using high-frequency identification of monetary surprises combined with local projection methods, we estimate dynamic impulse responses to both current and expected policy shocks. Our results indicate that a contractionary shock to the short-term policy rate raises consumption and income on impact but reduces them in the medium run, while employment declines persistently. In contrast, a contractionary shock to the expected path of future interest rates increase consumption and employment but lowers income. The effects are stronger after the first quarter, suggesting delayed transmission. We also observe heterogeneity across socio-economic groups: rural households, those with lower education, women, younger and older workers, and lower-caste groups exhibit significantly larger consumption declines. A back-of-the-envelope calculation yields a marginal propensity to consume of about 40 percent out of transitory, policy induced income changes. Our findings highlight the importance of distributional channels in shaping the aggregate transmission of monetary policy in developing economies.

- **Aggregate Savings in India: Where Do We Go From Here?**
Authors: Aditi Singh (with Prachi Mishra)

Abstract: The savings rate in the Indian economy has declined sharply since 2007 and approached a low of 29% of GDP in 2020. In this paper, we take a closer look at the historical evolution of aggregate savings in India, as well as its different components. We use a simple framework that seeks to explain the time variation in savings over the sample period. We find that increased prosperity more than explains the decline in savings of Indian households, while the decline in old age dependency was a major offset. Our baseline forecast implies a roughly 2 percentage point decline in household savings as a fraction of GDP over the next five years. We build some medium-term scenarios to understand the trade-offs going forward.