



# CAB CALLING

**Volume 47 | Issue 1 |  
January - March 2023**

**Covid-19  
Pandemic**

**Response  
by Central  
Banks**

**Trends in  
Fixed Income  
Securities  
Market**

**Resilience  
of UCB  
Sector**

## **Articles :**

Central Bank Balance Sheet during Crises :  
The Indian Case

Fixed Income Securities Market in India :  
Pre - and Post-Covid-19 Pandemic

An Assessment of the Performance and  
Resilience of Primary Cooperative Banks  
During the Covid-19 Pandemic

## **Special Features :**

Conference of SLBC Convenors : Inclusive  
Finance & Sustainable Development : Evolving  
Role of SLBCs in the Age of Technology and  
Innovation

Seminar for Chief Compliance Officers  
of Banks : Integrating Compliance with  
Organisational Ethos and Cultural Capital

## **Regular Features :**

Campus Capsule  
Gist of Important Circulars

# सीएबी कॉलिंग CAB Calling

जनवरी - मार्च 2023 / Jan. - Mar. 2023  
Volume 47 Issue 1 / 2023  
Regn. No. R.N. -31642/77

कृषि बैंकिंग महाविद्यालय, पुणे की त्रैमासिक पत्रिका  
Quarterly Journal of the  
College of Agricultural Banking, Pune



कृषि बैंकिंग महाविद्यालय, भारतीय रिज़र्व बैंक  
College of Agricultural Banking, Reserve Bank of India  
विद्यापीठ मार्ग University Road, पुणे Pune - 411 016, भारत India  
फोन Phone: 91-20-25582303, 25582363  
फैक्स Fax : 91-20-25538959  
वेबसाइट Website: <https://cab.rbi.org.in/>  
ईमेल Email: [principalcab@rbi.org.in](mailto:principalcab@rbi.org.in)  
[CABCalling@rbi.org.in](mailto:CABCalling@rbi.org.in)

मुख्य संपादक/Editor-in-Chief  
श्री वी जी सेकर / Shri V G Sekar

कार्यकारी संपादक/Executive Editor  
डॉ आशीष श्रीवास्तव / Dr Ashish Srivastava

संपादक मंडल / Editorial Board  
श्री ए एस पिल्लई / Shri A S Pillai  
श्री आनंद उपाध्याय / Shri Anand Upadhyay  
श्री राजेंद्र कुमार / Shri Rajender Kumar  
श्री नारायण / Shri Narayan  
कैप्टन शुभब्रत अग्रवाल/Captain Shubhabrat Agrawal

संपादकीय सहायक / Editorial Assistant  
सनप्रीत हुडा / Sunpreet Huda

### पाठकों के लिए सूचना

आलेखों में व्यक्त किए गए विचार लेखकों के अपने हैं। इसका उस संस्थान से जिससे वे संबद्ध हैं अथवा भारतीय रिज़र्व बैंक और/या कृषि बैंकिंग महाविद्यालय से कोई संबंध नहीं है।

### पत्रिका के लिए आलेख भेजना

जो लेखक इस पत्रिका के लिए अपना आलेख भेजना चाहते हैं वे आलेख की पांडुलिपि हस्ताक्षर के साथ संपादक, कृषि बैंकिंग महाविद्यालय, विद्यापीठ रोड, पुणे 411 016 के नाम भेजें। आलेख की प्रतिलिपि ई-मेल से cabcalling@rbi.org.in के पते पर भेजी जा सकती है।

अप्रकाशित पांडुलिपियां लौटायी नहीं जाएंगी।

### अंशदान

ई-मेल – cabcalling@rbi.org.in  
डाक से – संपादक, सीएबी कॉलिंग, कृषि बैंकिंग महाविद्यालय, विद्यापीठ मार्ग, पुणे 411 016.

### एक प्रति का दर

भारत में – ₹ 50  
विदेश में – US\$ 5

### वार्षिक अंशदान (वैयक्तिक)

भारत में – ₹ 150  
विदेश में – US\$ 20

### वार्षिक अंशदान (संस्थाओं के लिए)

भारत में – ₹ 250  
विदेश में – US\$ 40

### प्रकाशनाधिकार

कॉपीराइट©2023, कृषि बैंकिंग महाविद्यालय  
सर्वाधिकार सुरक्षित

### आलेखों का पुनर्मुद्रण

पूर्व अनुमति लेकर आलेख पुनर्मुद्रित किए जा सकते हैं

### सम्पादक को पत्र/पूछताछ

ई-मेल: cabcalling@rbi.org.in

### NOTE TO READERS

The views expressed in articles are those of the authors and not necessarily of the institutions they are associated with or that of the Reserve Bank of India and/or the College of Agricultural Banking.

### SUBMISSIONS

Prospective authors can submit signed manuscripts to the Editor, CAB Calling, College of Agricultural Banking, University Road, Pune - 411 016. Soft copies can be submitted by e-mail to cabcalling@rbi.org.in

Unpublished manuscripts will not be returned.

### Subscription

E-mail: cabcalling@rbi.org.in  
Write to: The Editor, CAB Calling, College of Agricultural Banking, University Road, Pune - 411 016.

### Rates Per Copy

INDIA	₹50
OTHER COUNTRIES	US\$ 5

### Rates Per Year (Individuals)

INDIA	₹150
OTHER COUNTRIES	US\$ 20

### Rates Per Year (Institutions)

INDIA	₹250
OTHER COUNTRIES	US\$ 40

### Reproduction

Copyright©2023, College of Agricultural Banking.  
All rights reserved.

### Article Reprints

Articles can be reprinted with the prior written permission from the CAB.

### Letters To Editor / Enquiries

E-mail: cabcalling@rbi.org.in

#### Form IV : Statement about ownership and other particulars concerning 'CAB Calling'

1. Place of Publication Pune
2. Periodicity of Publication Quarterly
3. Publisher's Name V G Sekar  
Nationality Indian  
Address Principal and Chief General Manager  
College of Agricultural Banking  
Reserve Bank of India, Pune - 411016
4. Printer's Name Dhanraj Printers  
Nationality Indian  
Address 114, Mahatma Phule Peth, Pune 411 042
5. Names and addresses of Individuals who own the Journal College of Agricultural Banking  
Reserve Bank of India, Pune - 411016

I, V G Sekar, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-  
Signature of Publisher

Date : March. 31, 2023

Editorial Board		
Name	Designation	Email ID
Shri V G Sekar	Editor-in-Chief, CGM & Principal	vgsekar@rbi.org.in
Dr Ashish Srivastava	Executive Editor, DGM & Member of Faculty	ashishsrivastava@rbi.org.in
Shri A S Pillai	Member, Editorial Board, GM & Vice Principal	aspillai@rbi.org.in
Shri Anand Upadhyay	Member, Editorial Board, GM & Member of Faculty	aupadhyay@rbi.org.in
Shri Rajender Kumar	Member, Editorial Board, GM & Member of Faculty	rajenderkumar@rbi.org.in
Shri Narayan	Member, Editorial Board, DGM & Member of Faculty	narayan@rbi.org.in
Capt. Shubhabrat Agrawal	Member, Editorial Board, DGM & Member of Faculty	shubhabrat@rbi.org.in
College of Agricultural Banking Reserve Bank of India, Pune <a href="https://cab.rbi.org.in">https://cab.rbi.org.in</a>		



# CONTENTS

## From the Desk of Editor-in-Chief

### Article

Central Bank Balance Sheet during Crises : The Indian Case **Alex Philip** 01

Fixed Income Securities Market in India :  
Pre - and Post-Covid-19 Pandemic **Dr Ashish Srivastava** 12

### Special Feature

Conference of SLBC Convenors: Inclusive Finance & Sustainable Development :  
Evolving Role of SLBCs in the Age of Technology and Innovation - December 19 -  
20, 2022. 25

Seminar for Chief Compliance Officers of Banks: Integrating Compliance with  
Organisational Ethos and Cultural Capital - December 22-23, 2022 30

### Article

An Assessment of the Performance and Resilience of  
Primary Cooperative Banks During the Covid-19 Pandemic. **Dr Ashish Srivastava,  
Rajender Kumar,  
S. K. Pandey** 36

### Regular Feature

Campus Capsule 59

Gist of Important Circulars 64



## मुख्य संपादक की कलम से From the Desk of Editor-in-Chief

प्रिय पाठकगण,

कोविड -19 महामारी इस सदी की सबसे खराब नकारात्मक बाह्यताओं में है जिसने जीवन के हर क्षेत्र को प्रभावित किया। समय पर लिए गए नीतिगत समर्थन, हस्तक्षेप और महामारी की परिस्थिति से क्रमिक अनुकूलन ने काफी हद तक सामान्य स्थिति बहाल करने में सहायता की है। इस अंक में, हम तीन शोध पत्रों का एक सेट प्रस्तुत कर रहे हैं जो महामारी के प्रभाव और इसके सम्बंध में विभिन्न क्षेत्रों की प्रतिक्रिया पर ध्यान केंद्रित करते हैं।

इस अंक का पहला शोध पत्र वैश्विक वित्तीय संकट और कोविड - 19 महामारी के दौरान भारतीय रिजर्व बैंक की बैलेंस शीट के व्यवहार पर केंद्रित है। यह तर्क देता है कि केंद्रीय बैंक की बैलेंस शीट का आकार और आरक्षित धन, सकल घरेलू उत्पाद के प्रतिशत के रूप में भारत में मोटे तौर पर स्थिर रहे, जिससे प्राथमिक तरलता के अनियंत्रित विस्तार को रोका जा सका और इस तरह मुद्रास्फीति के दबाव को नियंत्रित रखा गया।

इस अंक का दूसरा शोध पत्र भारत में निश्चित आय प्रतिभूति बाजार पर कोविड - 19 महामारी के प्रभाव की जांच करता है और इसके लचीलेपन पर प्रकाश डालता है। यह इंगित करता है कि महामारी के दौरान यील्ड्स में हुई गिरावट को 2023 की शुरुआत तक तरलता समायोजन में वापसी और नीतिगत दरों में वृद्धि के साथ बहाल कर दिया गया है। मध्यम से लंबी अवधि के यील्ड्स परिदृश्य के बारे में अनिश्चितता के कारण मामूली व्युत्क्रम के संकेत के साथ वर्तमान में यील्ड वक्र लगभग सपाट है।

Dear Readers,

The Covid-19 pandemic has been one of the worst negative externalities of this century, which impacted every walk of life. Timely policy support, interventions and gradual adaptation to the pandemic situation have helped in restoring normalcy to a great extent. In this issue, we present a set of three research papers which focus on the impact of the pandemic and the response to it from various domains.

The first paper of this issue focuses on the behaviour of the Reserve Bank of India's balance sheet during the global financial crisis and the Covid-19 pandemic. It argues that the balance sheet size of the central bank and reserve money as per cent of gross domestic product were broadly stable in India, preventing unrestrained expansion of primary liquidity and thereby keeping inflationary pressures contained.

The second paper of this issue examines the impact of the Covid-19 pandemic on the Indian fixed-income securities market and highlights its resilience. It finds that the yields which fell during the pandemic have been restored by early 2023 with a withdrawal in the liquidity accommodation and an increase in the policy rates. The yield curve currently is almost flat with an indication of slight inversion due to

विश्लेषणात्मक यात्रा को जारी रखते हुए अगला शोध पत्र महामारी से पहले और उसके दौरान प्राथमिक (शहरी) सहकारी बैंकों के प्रमुख वित्तीय मापदंडों में सांख्यिकीय रूप से महत्वपूर्ण अंतरों का परीक्षण करता है, और उनकी संपत्ति, देनदारियों, आय और लाभप्रदता में परिवर्तन की जांच करता है। यह इंगित करता है कि प्राथमिक (शहरी) सहकारी बैंकों ने महामारी जनित बाह्य दुष्प्रभाव के बावजूद अपने वित्तीय प्रदर्शन में सबलता और लचीलापन दिखाया है, और सांख्यिकीय रूप से महत्वपूर्ण कोविड-प्रेरित अंतर उनके अधिकांश वित्तीय मापदंडों में नहीं देखे गए हैं।

क्षमता निर्माण को बढ़ावा देने और विभिन्न समकालीन और महत्वपूर्ण विषयों से संबंधित महत्वपूर्ण सोच को प्रज्वलित करने के अपने प्रयास में, कॉलेज ने 19-20 दिसंबर 2022 के दौरान राज्य स्तरीय बैंकर्स समितियों (एसएलबीसी) के संयोजकों का एक सम्मेलन आयोजित किया। सम्मेलन का विषय “समावेशी वित्त और सतत विकास : प्रौद्योगिकी और नवाचार के युग में एसएलबीसी की भूमिका” समावेशी वित्त, सतत विकास और लीड बैंक योजना की प्रभावशीलता को बढ़ाने के लिए रणनीतियों में एसएलबीसी की भूमिका पर केंद्रित था। हम एक विशेष फीचर के रूप में सम्मेलन में हुए विचार-विमर्श और प्रमुख बिंदुओं का एक सारांश प्रस्तुत कर रहे हैं। दूसरा विशेष फीचर 22-23 दिसंबर, 2022 के दौरान कॉलेज द्वारा बैंकों के मुख्य अनुपालन अधिकारियों (सीसीओ) के लिए आयोजित संगोष्ठी की झलकियां और प्रमुख बिंदुओं का एक सारांश प्रस्तुत करता है। इस संगोष्ठी ने संगठनात्मक लोकाचार और सांस्कृतिक पूंजी को अनुपालन की प्रक्रिया के साथ एकीकृत करने की आवश्यकता पर ध्यान केंद्रित किया, जो शासन को मजबूत करने और अनुपालन को इसके वास्तविक सार में प्राप्त करने हेतु सबसे प्रभावी विधि है।

इन लेखों एवं विशेष परिशिष्टों के अतिरिक्त, इस अंक में नियमित विशेषताएं भी शामिल हैं यथा, जनवरी-मार्च 2023 के दौरान रिजर्व बैंक द्वारा जारी किए गए महत्वपूर्ण परिपत्रों का सार और इस अवधि के दौरान महाविद्यालय द्वारा आयोजित प्रशिक्षण कार्यक्रमों से संबंधित कैपस कैप्सूल।

हमेशा की तरह आपकी टिप्पणियों और समालोचना का स्वागत है।

- वी जी सेकर

uncertainty about the yield scenario in the medium to long term.

Continuing the analytical quest, the next paper tests statistically significant differences in the key financial parameters before and during the pandemic and examines the changes in the assets, liabilities, earnings, and profitability of Primary (Urban) Cooperative Banks. It finds that these banks have shown resilience in their financial performance notwithstanding the external shock caused by the pandemic, and statistically significant Covid-induced differences are not observed in most of their financial parameters.

In its endeavour to promote capacity building and ignite critical thinking relating to various contemporary and significant subjects, the College organised a Conference of the Convenors of State Level Bankers Committees (SLBCs) during December 19-20, 2022. The theme of the Conference “Inclusive Finance and Sustainable Development: Evolving Role of SLBCs in the Age of Technology and Innovation” focused on the role of SLBCs in inclusive finance, sustainable development, and strategies for enhancing the effectiveness of the Lead Bank Scheme. We present a summary of the deliberations and key takeaways, as a special feature. The second special feature offers glimpses and key takeaways from the seminar for the Chief Compliance Officers (CCOs) of banks organised by the College during December 22-23, 2022. This seminar focused on the need to integrate compliance with the organizational ethos and cultural capital, as the most effective way to strengthen governance and achieve compliance in its true essence.

The issue also contains regular features such as the gist of important regulatory circulars issued by the Reserve Bank of India during January – March 2023 and the campus capsule related to training programmes conducted by the College during this period.

Your comments and feedback are welcome, as always.

- V G Sekar



# Central Bank Balance Sheet during Crises : The Indian Case

- Alex Philip<sup>1</sup>

In the post-global financial crisis (GFC) era, the balance sheet of central banks emerged as a policy tool to address financial and macroeconomic stability objectives, a feature again highlighted during the recent COVID-19-induced pandemic shock. The change in size and composition of the central bank balance sheets especially during crises can provide insights regarding the nature and scope of the central bank's responses to economic shocks. In this context, this article analyses the behaviour of the Reserve Bank of India's balance sheet during the GFC and COVID-19 pandemic. Though the unpredictable nature of capital flows had a role in gyrations in reserve money growth, the balance sheet size of the central bank and reserve money as per cent of GDP were broadly stable in India, preventing unrestrained expansion of primary liquidity and thereby keeping inflationary pressures contained.

**Keywords :** Central Bank, Monetary Policy, Central Bank Policy.

**JEL Classification :** E50, E52, E58.

## I. Introduction

The balance sheet of central banks reflects its major financial functions, namely, currency issues, monetary policy, reserve management, etc. An increase in central bank balance sheet size is concomitant with the creation of reserve money<sup>2</sup> that provides the monetary base, over which the money multiplier process operates to generate money supply.

The global financial crisis (GFC) of 2007-08 illustrated the weakness of conventional monetary policies and strengthened the case for employing central bank balance sheets as a policy tool to revive growth, a theme that would recur almost a decade later when the COVID-19 pandemic struck in 2019.

In creating monetary liabilities that could be used to provide liquid assets to a financial system under duress, the central bank balance sheet is a policy tool in itself to address financial and macroeconomic stability objectives. The change in size and composition of the central bank balance sheet especially during crises can provide insights regarding the nature and scope of the central bank's responses to economic shocks.

Against the above backdrop, the article analyses the behaviour of the Reserve Bank of India's balance sheet during the GFC and COVID-19 pandemic. The rest of the paper is structured into five sections. Section II covers the literature and cross-country experiences of the central bank's

<sup>1</sup> Assistant Adviser, Department of Economic and Policy Research, Reserve Bank of India. He can be reached at [alexphilip@rbi.org.in](mailto:alexphilip@rbi.org.in). The views expressed in the paper are personal and do not necessarily represent the views of the Reserve Bank of India. Guidance and encouragement from Dr. J.B Singh and Shri Bhartendu Das are gratefully acknowledged. The author thanks two anonymous peer reviewers as well as Shri Anoop K. Suresh and Shri Manu Sharma for their valuable suggestions and Shri Supriyo Mondal for research assistance.

<sup>2</sup> Reserve Money is a stylized depiction of the central bank balance sheet comprising of monetary liabilities that provide primary liquidity.





# Fixed Income Securities Market in India : Pre- and Post-Covid-19 Pandemic

- Dr Ashish Srivastava<sup>1</sup>

The fixed-income securities market is a major source of capital formation and financing of economic activities. Besides, it is a dominant source of funding for sovereigns, and investments by market participants in the government securities (G-Sec) market. G-Sec markets also provide a proxy of the risk-free rate, one of the core financial concepts. Movements in yields of fixed-income securities and spreads are important benchmarks for various financial market activities. The Covid-19 pandemic adversely impacted almost every sphere of human life and the financial markets were no exception. This paper examines the impact of the Covid-19 pandemic on the Indian fixed-income securities market and highlights its resilience.

Key Words : Securities Market, Fixed Income, Bonds, Yield to Maturity, Spread.

JEL Classification : E44, N20.

## I Introduction

Capital formation is key to flourishing economic activities. The pace of industrial activities depends on the efficiency, cost, and timing of capital mobilization. Capital markets through their equity and debt components work as the backbone of economic activities. The global equity and debt (fixed income) market capitalisations are estimated to be about USD 106 trillion, and USD 124 trillion, respectively (Figure 1). Since the fixed income bonds keep retiring and their potential for expansion in their market capitalization is limited, both markets seem quite close in terms of their respective market capitalizations. In terms of new issuances, however, the bond market stands far ahead of the equity markets (Figure 2) and the fixed-income market serves as a major source of funding. During the

pandemic, the global fixed-income markets outstanding expanded only by 3.3% to USD 126.9 trillion in 2021, while global long-term fixed-income issuance decreased by 3.7% to USD 26.8 trillion. In the case of India, the fixed-income market is dominated by Government securities. However, the corporate bond market has also gained momentum. From a macro-financial or financial stability perspective, a well-developed corporate bond market helps dissipate risk across a much wider category of investors, thereby contributing to overall financial stability. The Covid-19 pandemic adversely impacted almost every sphere of human life and the financial markets were no exception. This paper examines the resilience of the Indian fixed-income securities market in the aftermath of the Covid-19 pandemic.

*Deputy General Manager and Member of Faculty, College of Agricultural Banking, Reserve Bank of India, Pune. He can be reached at [ashishsrivastava@rbi.org.in](mailto:ashishsrivastava@rbi.org.in)*

*Insightful comments and constructive suggestions for modifications in the paper from anonymous reviewers are gratefully acknowledged. Views are personal and do not necessarily represent the views of the Reserve Bank of India*



## Conference of SLBC Conveners - Inclusive Finance and Sustainable Development : Evolving Role of SLBC's in the Age of Technology and Innovation

The College organised a Conference of the Conveners of State Level Bankers Committees (SLBCs) during December 19-20, 2022 on its campus. The theme of the Conference “Inclusive Finance & Sustainable Development: Evolving Role of SLBCs in the Age of Technology and Innovation” focused on the role of SLBCs in Inclusive Finance, Sustainable Development and strategies for enhancing the effectiveness of Lead Bank Scheme (LBS) which has been in existence for more than five decades now. The event presented an opportunity to deliberate on the key issues and challenges faced by SLBCs. The speakers included top executives from the Reserve Bank of India, NABARD and commercial banks. The following is a summary of the deliberations and key take aways.

### Inaugural Address :

The Conference was inaugurated by Shri V G Sekar, Chief General Manager and Principal. In his inaugural address, the Principal highlighted the importance of SLBC, being the apex-level forum at the state level for inclusive development. He exhorted the importance of the conference in light of evolving Financial Inclusion (FI) landscape wherein, the FI initiatives now focus on enhancing the usage of technology and innovation to converge skill development programmes and livelihood & income generation activities with sustainable development. He also stressed upon SLBCs to undertake active efforts for translation of technology achievements under 'Access' to the outcomes under 'Usage' for sustainable development-focused FI.

### Keynote Address : Catalyzing Inclusive Growth – Role of Lead Bank Scheme: Assessment & Prospects

Shri Anil Kumar Sharma, Executive Director, RBI, in his Keynote Address, traced the evolution of the Lead bank Scheme (LBS) in the context of recommendations of various committees to enhance the flow of institutional credit to agriculture and rural segments. He discussed the scope and responsibilities of SLBC and LBS, which are chiefly to review the availability of credit and skill development in the region. Coordination among various stakeholders of SLBCs is the prime responsibility of the Convenor banks, as it ensures unhindered availability and effective utilisation of credit within the state. He also discussed the performance of SLBCs and LBS vis-à-vis the mandate, particularly, in terms of augmenting the flow of institutional credit, especially to Agriculture and MSME. Discussing the Financial Inclusion initiatives of RBI, he analysed the achievements under National Strategy for Financial Inclusion w.r.t various time lines. Various initiatives of RBI undertaken to strengthen the 'Access', 'Usage' and 'Quality' of financial services were also discussed in detail. He highlighted the challenges and prospects for SLBCs in addressing the lack of financial knowledge and awareness. He also presented a glimpse of the future of LBS and SLBCs under consideration by RBI.

### Session I - Strategies and Innovations for Inclusive Growth : Challenges & Way forward for SLBC

Shri A B Vijayakumar, Executive Director,





# Seminar for Chief Compliance Officers of Banks Integrating Compliance with Organisational Ethos and Cultural Capital

In its endeavour to promote capacity building and ignite critical thinking relating to various contemporary and significant subjects, the College of Agricultural Banking (CAB), Pune, from time to time, organizes conferences, seminars, symposiums, etc. In this series, the College organized a seminar for the Chief Compliance Officers (CCOs) of banks during December 22-23, 2022. The seminar had about 60 delegates from public and private sector commercial banks, foreign banks, small finance banks, primary cooperative banks, and regional rural banks. The seminar focused on the need to integrate compliance with the organizational ethos and cultural capital, as the most effective way to strengthen governance and achieve compliance in its true essence. Shri S C Murmu, Executive Director, Reserve Bank of India delivered the keynote address. Some glimpses and key take aways from the seminar are presented in the following paragraphs.

## 2. Inaugural Address :

Shri V G Sekar, Chief General Manager and Principal, CAB, delivered the inaugural address to welcome the participants and set the stage for deliberations. Shri Sekar thanked the participants for their time and interest in this seminar and hoped that the delegates would find it useful and thought-provoking. He also thanked Shri S C Murmu, Executive Director for kindly consenting to deliver the keynote address. He added that the delegates would also have an opportunity to interact with CGM-IC, Department of Supervision, and CGM, Enforcement Department, besides participating in

subject-specific sessions and a couple of panel discussions.

Coming to the subject of the seminar, he highlighted that compliance ensures orderliness and reduces overall systemic vulnerability. For this, the regulated entities must be willing to commit themselves to comply with the regulations, including self-regulation. In countries like India where banks play a predominant role in the financial system, the banks must remain resilient, and well-functioning. As such, effective compliance by banks to regulatory, statutory, and governance norms assumes great importance. Compliance as a theme pervades all the spheres of banking operations and there is a need to maintain the highest level of integrity in the compliance process. A sound compliance management system promotes due diligence and oversight, ensures no conflict of interest, ethical, legal, and prudential conduct, and the achievement of public interest and the stakeholders' common good. Focussed attention on the conduct and timely action are necessary to ensure robustness in the compliance architecture. To achieve this, there is no better way than to make compliance as a part and parcel of the organizational fabric through integration into the organizational ethos and cultural capital. The principal concluded with a set of ten guiding principles for effective compliance in banks.

## 3. Keynote Address :

Shri S C Murmu, Executive Director (ED), Reserve Bank of India delivered the keynote address. ED emphasized RBI's efforts for enhancing the effectiveness of compliance function



# An Assessment of the Performance and Resilience of Primary Cooperative Banks During the Covid-19 Pandemic

- Ashish Srivastava<sup>✉</sup>, Rajender Kumar, S. K. Pandey<sup>1</sup>

The Covid-19 pandemic which started in early 2020 negatively impacted the socioeconomic environment due to the widespread incidence of the disease and lockdowns that were necessitated to contain its spread. The pandemic has lasted for more than two years with multiple peaks and troughs having an impact on all economic activities and banking services were no exception. The primary cooperative banking segment appears to have reasonably sustained the impact of the COVID-19 stress. As the incidence of the pandemic gradually recedes, this study examines the impact of the Covid-19 pandemic on the performance of Primary (Urban) Cooperative Banks (UCBs) and tests their resilience. Based on a well-distributed purposive sample of 50 UCBs which broadly mimics the universe of the study and has a representation from all four tiers of the UCB sector, it tests statistically significant differences in the key financial parameters before and during the pandemic (pre-pandemic years: 2017-18, 2018-19, 2019-20, and pandemic years : 2020-21, 2021-22) and examines changes in the assets, liabilities, earnings, and profitability of UCBs. It finds that UCBs have shown resilience in their financial performance notwithstanding the external shock caused by the pandemic, and statistically significant Covid-induced differences are not observed in most of their financial parameters.

**Key Words :** Primary Cooperative Banks, Covid-19, Pandemic.

**JEL Classification :** G21, G29, P13.

## I Introduction

Primary Cooperative Banks, popularly known as Urban Cooperative Banks (UCBs) in India are registered as co-operative societies under the provisions of, either the respective State Co-operative Societies Act(s) of the state concerned or the Multi-State Co-operative Societies Act, 2002 of the Union of India. UCBs play an important role in providing banking services and meeting the credit needs of retail, weaker sections, and small

businesses through their local reach and socioeconomic positioning. The Covid-19 pandemic which started in early 2020 negatively impacted the socioeconomic environment due to the widespread incidence of the disease and lockdowns that were necessitated to contain its spread. The pandemic has lasted for more than two years with multiple peaks and troughs having an impact on all economic activities and banking services were no exception. The UCB segment

<sup>1</sup>The authors are Members of the Faculty, College of Agricultural Banking, Reserve Bank of India, Pune. This Paper is based on a special study conducted by the authors. Views are personal and do not necessarily represent the official views of the Reserve Bank of India.

<sup>✉</sup>Dr.Ashish Srivastava is the corresponding author, who can be reached at [ashishsrivastava@rbi.org.in](mailto:ashishsrivastava@rbi.org.in).



## ‘सीएबी कॉलिंग : अंशदान फार्म’

अंशदाता सं.  
(केवल कार्यालय के उपयोग के लिए)

संपादक  
‘सीएबी कॉलिंग’  
कृषि बैंकिंग महाविद्यालय  
भारतीय रिज़र्व बैंक  
पुणे - 411016

यदि अंशदाता कार्यक्रम के सहभागी हैं तो  
कार्यक्रम का नाम

अंशदान दर	एक वर्ष	दो वर्ष
व्यक्तिगत सदस्य (भारत में)	₹ 150	₹ 300
व्यक्तिगत सदस्य (विदेश में)	US\$ 20	US\$ 35
संस्थागत सदस्य (भारत में)	₹ 250	₹ 400
संस्थागत सदस्य (विदेश में)	US\$ 40	US\$ 70

महोदय,

मैं/हम एक/दो\* वर्ष के लिए ‘सीएबी कॉलिंग’ की सदस्यता का नवीकरण करना/ग्राहक बनना चाहता हूँ/ चाहते हैं।

मैंने दिनांक \_\_\_\_\_ को, ₹ \_\_\_\_\_ का NEFT किया है जिसकी UTR संख्या \_\_\_\_\_ है।

कृपया निम्नलिखित तिमाही से ‘सीएबी कॉलिंग’ के अंक मुझे / हमें भेजें

नाम (स्पष्ट अक्षरों में) श्री/श्रीमती/कुमारी \_\_\_\_\_

पता (स्पष्ट अक्षरों में) \_\_\_\_\_

केंद्र \_\_\_\_\_ पिन कोड \_\_\_\_\_

टेलीफोन नं. (कार्यालय) \_\_\_\_\_ (निवास) \_\_\_\_\_

फैक्स नं. \_\_\_\_\_ एसटीडी कोड \_\_\_\_\_

ई-मेल पता \_\_\_\_\_

अंशदाता सं. (यदि कोई हो तो) \_\_\_\_\_

दिनांक: \_\_\_\_\_ 20 \_\_\_\_\_

(हस्ताक्षर)

\*जो लागू नहीं है उसे काट दें।

NEFT Details for Payment:

**Name of the Account:** Bank's Publications

**Account Number:** 8024129

**Name of Bank:** RBI;

**IFSC Code:** RBIS0PUPA01 (0 means Zero)

**Type of Account:** Current

**Name of Branch:** CAB, Pune





## CAB CALLING - SUBSCRIPTION FORM

**SUBSCRIBER NO.**  
(For office use only)

The Editor  
"CAB CALLING"  
College of Agricultural Banking  
Reserve Bank of India  
PUNE 411016

To be filled if subscriber is a participant  
**Name of the programme**

Subscription Rates	One Year	Two Year
Individual Members (India)	₹ 150	₹ 300
Individual Members (Abroad)	US\$ 20	US\$ 35
Institutional Members (India)	₹ 250	₹ 400
Institutional Members (Abroad)	US\$ 40	US\$ 70

Dear Sir

I/We wish to subscribe / renew subscription\* to "CAB CALLING" for one /two\* years.

I have made an NEFT transaction for an amount of ₹ \_\_\_\_\_ with UTR number \_\_\_\_\_ dated \_\_\_\_\_

Please send my /our copy of "CAB Calling" starting from the quarter:

NAME (IN CAPITALS) \_\_\_\_\_

ADDRESS (IN CAPITALS) \_\_\_\_\_

CITY \_\_\_\_\_ PIN \_\_\_\_\_

TEL NO. (OFF) \_\_\_\_\_ TEL NO. (RESI) \_\_\_\_\_

FAX NO. \_\_\_\_\_ STD CODE \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

SUBSCRIBER NO. (IF ANY) \_\_\_\_\_

DATE: \_\_\_\_\_

(SIGNATURE)

\*Strike off whichever is not applicable

NEFT Details for Payment:

**Name of the Account:** Bank's Publications

**Account Number:** 8024129

**Name of Bank:** RBI;

**IFSC Code:** RBIS0PUPA01 (0 means Zero)

**Type of Account:** Current

**Name of Branch:** CAB, Pune



# Guidance for Authors

1. Proposals are invited for unpublished and original feature articles, features-in-brief, research papers, and book reviews (either in English or in Hindi), from practitioners, domain experts, bankers, academics, researchers and scholars on relevant topics.
2. The articles/papers submitted should have a strong emphasis on realistic analysis, development of critical perspectives and use of empirical evidence (except for Book Reviews). It should demonstrate fresh thinking, whose practical application has been thought through in clear and jargon-free language. While the topics vary, it should be possible for the ideas presented to be translated into action. For a book review, the purpose should be to give readers an engaging, informative, and critical discussion of the author's work.
3. The article should be accompanied by a summary (100 to 200 words) and it should answer the following questions:
  - a. What is the central message of the article? What are the important, useful, new or counter-intuitive aspects of the idea? Why do readers need to know about it?
  - b. How can the idea be applied in banking policy making today?
  - c. What research is available to support the argument?
  - d. What are the academic, professional sources of work referred to?
  - e. What personal experiences have been drawn upon?
4. Preference will be given to articles having an action-bias, whether by way of reporting a best-practice, innovative use of resources or by way of enhancing functional and/or managerial effectiveness. Authors are encouraged to include specific details, examples and actual photos to increase authenticity and credibility. Also encouraged is the use of illustrations which enhance readers' interest while making a point.
5. All CAB Calling articles are expected to give credit to all direct quotations, paraphrased statements, and borrowed ideas. To improve the flow of the prose, we prefer that attributions are incorporated into the text whenever possible. Please be sure to clearly bring out exactly which ideas, and what language, are yours and which ones are drawn from someone else.
6. It is the responsibility of the author to obtain written permission for a quotation from unpublished material, or for all quotations in excess of 250 words in one extract or 500 words in total, from any work still in copyright.
7. Authors must disclose if they have a financial relationship with the organization that sponsored the research. They should also state that they have full control of all primary data and that they agree to allow CAB Calling to review their data if requested.
8. The CAB reserves the right to edit the articles accepted for publication to determine which aspects need to be expanded and which need to be compressed or omitted, to make them interesting to read. Authors can however own copyright for the article, subject to acknowledgement of its first publication in CAB Calling.
9. The CAB reserves the right of use of the published articles for academic purposes, with due acknowledgement of authors' credit.
10. CAB Calling deeply appreciates the time and energy required to prepare an article for our publication, and we are grateful to you for that investment. We are always looking for new and useful ideas that can contribute to human development and the practice of development banking.
11. We wish to assure the authors/contributors that we look into each contribution closely, and, if the idea is compelling, we will do our best to see how best their articles can suit our readers. However, articles which are not published in three successive issues after their submission will normally be treated as not suitable for publication in CAB Calling. The decision regarding whether or not an article will be published rests with the editors.
12. Authors are requested to submit their manuscripts, duly formatted as per guidelines given in the **Annex**, to the office of the Editor. The manuscript must be accompanied by a "Letter of Submission", a sample of which can be found at our website ([www.cab.org.in](http://www.cab.org.in)). Advance copies of the articles can be submitted by email to [cabcalling@rbi.org.in](mailto:cabcalling@rbi.org.in).

We thank you again for your interest.





## Annex: Guidelines for Formatting

Before submitting the manuscript of the articles, authors are requested to follow the guidelines given below:

1. Please attach a short abstract of 100 to 200 words. The abstract should not contain any undefined abbreviations or unspecified references.
2. Title of the article should be as precise as possible.
3. The first page of the manuscript should also contain at least two classification codes according to the Journal of Economic Literature Classification.
4. Particulars of the authors should be given in the footnote before the usual disclaimer on the first page. Symbol \* should be used for providing this footnote.
5. Papers, referred to external referees, should acknowledge comments provided by anonymous referees.
6. All subsequent footnotes, if any, should be numbered consecutively. Footnotes should be precise to the extent possible.
7. Manuscripts should be 1.5 spaced, with 1" margins on paper of A4 or letter size.
8. All pages should be numbered consecutively. Roman numerals should be used while ordering the Sections (e.g., Section II). Sections numbers and its title should be centrally aligned.
9. Figures and tables should be numbered consecutively (e.g., Figure 1, Figure 2, Table 1, Table 2, etc.). Figures should be submitted in excel files along with the manuscript. In case of Tables, data source should be clearly mentioned, wherever required.
10. Appendix Tables/Figures, if any, should be given before the list of references.
11. Empirical results should be properly tabulated.
12. References within the text should be cited as illustrated at (a) below.
13. References should appear at the end and should be listed in alphabetical order by author's name.
14. References should be verified carefully. They must correspond to the citations in text. No reference should be missing from the list.
15. If an unpublished article is cited, please include the web site address in the reference list, giving the full "http://" link. The date of access should also be indicated.
16. In case of single author, the reference should appear as illustrated at (b) and © below.
17. In case of multiple authors (e.g., Jörg Rieskamp, Jerome R. Busemeyer and Barbara A. Mellers), the reference should appear as illustrated at (d) below.
18. In case of a book, the reference should appear as illustrated at (e) below.
19. In case of an edited book, the reference should appear as illustrated at (f) below.
20. The length of text for book review should be about 1000-1500 words. The header of your review should include:
  - Author(s) or editor(s) first and last name(s) (please indicate if it is an edited book)
  - Title of book
  - Year of publication
  - Place of publication
  - Publisher
  - Number of pages
  - Price (please indicate paperback or hard cover) if available
  - ISBN

Illustrations:

- a. "Several recent papers have sought to directly analyse the impact of an increase in import openness or competitive pressures on inflation in an empirical framework, by employing reduced-form equations and/or industry-level data [Gamber and Hung (2001); Kamin et al (2004); Pain et al (2006); and Chen et al (2007)]."
- b. Mishkin, Frederic S. 2006. "How Big a Problem is Too Big to Fail? A Review of Gary Stern and Ron Feldman's Too Big to Fail: The Hazards of Bank Bailouts." *Journal of Economic Literature*, 44(4): 988–1004.
- c. Ausubel, Lawrence M. 1997. "An Efficient Ascending-Bid Auction for Multiple Objects." University of Maryland Faculty Working Paper 97–06.
- d. Rieskamp, Jörg, Jerome R. Busemeyer, and Barbara A. Mellers 2006. "Extending the Bounds of Rationality: Evidence and Theories of Preferential Choice." *Journal of Economic Literature*, 44(3): 631–661.
- e. Nordhaus, William D. 1994. *Managing the Global Commons: The Economics of Climate Change*. Cambridge, MA: MIT Press.
- f. Arrow, K.J. et al. 1995. "Intertemporal equity, discounting, and economic efficiency." In *Climate Change 1995: Economic and Social Dimensions of Climate Change, Contribution of Working Group III to the Second Assessment Report of the Intergovernmental Panel on Climate Change*, eds., Bruce J., Lee H., Haites E. Cambridge, UK: Cambridge University Press, 125–44.





**(Please furnish the author/lead author's address and contact details and e-mail here)**

The Editor, CAB Calling  
College of Agricultural Banking (CAB)  
Reserve Bank of India  
University Road  
Pune - 411016, India

Dear Sir,

**Letter of Submission - Manuscript entitled \_\_\_\_\_**  
**Disclosure of Potential Conflict of Interest and other Requirements**

I am submitting the captioned article in manuscript form to be considered for publication in the CAB Calling. I am the sole author/lead-author of the said manuscript and I am aware of its contents. The name(s) of the co-authors are as under:

2. I certify that the article is unpublished and original and that the manuscript has been formatted in conformity with the guidelines of CAB Calling.
3. I certify that I have obtained written permission for quotation(s) from unpublished material, or for all quotations in excess of 250 words in one extract or 500 words in total, from any work having copyright.
4. I declare that I have a financial relationship with the organization, namely \_\_\_\_\_, that sponsored the research on which this article is based.

Or

I declare that I have no financial relationship with any organization towards sponsoring of this research on which this article is based.

5. I confirm that I have full control of all primary data and that I agree to allow CAB Calling to review the data if requested.
6. I understand that the decision of the Editor regarding suitability of the article for publication will be final. I further understand that if the article is not published in three successive issues after its submission it will be deemed as not suitable for publication and that no separate communication may be issued in this regard.
7. I understand that the CAB Calling reserves the right to edit the articles accepted for publication and determine and modify aspects that need to be expanded/compressed/omitted, to make them interesting to read. I further understand that the College of Agricultural Banking (CAB) reserves the right of use of the published article for academic purposes, with due acknowledgement of authors' credit.

Yours faithfully,  
Author Signature  
(Author Name)

Date:

Encl: Article as above

Strike off portions that are not applicable.

Please sign and e-mail a scanned copy to: [cabcalling@rbi.org.in](mailto:cabcalling@rbi.org.in)





## वित्तीय क्षेत्र में क्षमता निर्माण एवं विकास

भारतीय रिजर्व बैंक द्वारा वर्ष 1969 में ग्रामीण एवं सहकारी बैंकिंग में प्रशिक्षण इनपुट प्रदान करने के लिए कृषि महाविद्यालय (सीएबी) की स्थापना की गयी। इसके बाद, भारतीय वित्तीय क्षेत्र की बदलती आवश्यकताओं को ध्यान में रखे हुए, महाविद्यालय द्वारा कृषि बैंकिंग, एमएसई वित्त पोषण, वित्तीय समावेशन और साक्षरता, मानव संसाधन और नेतृत्व आदि जैसे अन्य क्षेत्रों में प्रशिक्षण प्रदान करने के लिए अपने दायरे का विस्तार किया गया। अक्टूबर 2021 से महाविद्यालय द्वारा चार फोकस एरिया (4C) यथा कॉर्पोरेट गवर्नेन्स, साइबर सुरक्षा, उपभोक्ता संरक्षण और अनुपालन प्रबंधन पर अधिक ध्यान दिया गया है ताकि वित्तीय प्रणाली में मजबूती प्रदान करने और सेवा मानकों में वृद्धि करने के लिए बैंकों तथा फाइनेंशियल प्रोफेशनलों का क्षमता वर्धन किया जा सके।

महाविद्यालय द्वारा FAO, APRACA, CICTAB, UNDP और राष्ट्रमंडल सचिवालय जैसी अंतर्राष्ट्रीय एजेंसियों के सहयोग से कार्यक्रम और अनुसंधान सम्मेलन भी आयोजित किए जाते हैं। इसी के साथ महाविद्यालय द्वारा राष्ट्रीय और अंतर्राष्ट्रीय संस्थानों के लिए उनकी आवश्यकतानुसार कस्टमाइज्ड प्रशिक्षण कार्यक्रम भी आयोजित किए जाते हैं।

वर्ष 2015 से एमएसएमई वित्त पोषण के क्षेत्र में विशेषीकृत नैमकेब कार्यशालाएं आयोजित करने के लिए नोडल संस्थान के रूप में नामित किए जाने के साथ ही वर्ष 2021 में मिशन 'अवतु' के अंतर्गत साइबर सुरक्षा पर सहकारी बैंकों के विभिन्न स्टेकहोल्डरों के प्रशिक्षण प्रदान करने के लिए महाविद्यालय को 'नोडल संस्थान' के रूप में नामित किया गया है।

## Building & Enhancing Capabilities in the Financial Sector

Reserve Bank of India established the College of Agricultural Banking (CAB) in 1969 to provide training inputs in Rural and Cooperative Banking. Subsequently, recognizing the changing needs of the Indian financial sector, the College expanded its scope to provide training in other areas like agricultural banking, MSME financing, Financial Inclusion & Literacy, Human Resources & Leadership, etc. From the Academic Year 2021, the College has enhanced thrust on four focus areas (4Cs), namely Corporate Governance, Cyber Security, Consumer Protection and Compliance Management, to build capacity amongst the bankers and financial professionals to enhance the robustness and service standards in the financial system.

The college also conducts programmes and research conferences in collaboration with international agencies like FAO, APRACA, CICTAB, UNDP and the Commonwealth Secretariat. The College further conducts customized training programmes for institutions, both national and international, as per their specific requirements.

The college has been nominated as the 'Nodal Institution' for imparting training to various stakeholders of UCBs on cyber security under the Mission 'AVTU' in 2021, apart from being nominated as the Nodal Institution to impart specialised NAMCABs workshops in the area of MSME financing, since 2015.



**College of Agricultural Banking**  
<https://cab.rbi.org.in/>