



MAHARAJA AGRASEN INSTITUTE OF MANAGEMENT STUDIES

(A unit of Maharaja Agrasen Technical Education Society)

Affiliated to GGSIP University; Recognized u/s 2(f) of UGC

Recognized by Bar Council of India; ISO 9001: 2015 Certified Institution

Maharaja Agrasen Chowk, Sector 22, Rohini, Delhi - 110086, INDIA

Tel. Office: 8448186947, 8448186950 www.maims.ac.in

REPORT

Workshop on ‘Creating Awareness among Public regarding Prevention of Financial Frauds & Intellectual Property Rights’ - Thursday, July 16, 2020

MAIMS was established in 2003 by Maharaja Agrasen Technical Education Society. The society has got success in establishing institutions of repute in Medical, Management, Law, Engineering and Journalism. The Institute has attained a distinct position in running BBA, B. Com (Hons.), BA (Eco) (Hons.), BA(JMC) and BALLB(Integrated) programmes of Guru Gobind Singh Indraprastha University, Delhi.

We realize that in present times the disruptive digital transformation of banking services and the impact of Open Banking drives greater competition and choice for all. But it also opens new doors and presents opportunities to defraud and trick bank customers. To sensitize the faculty and students about the gimmicks used by financial fraudsters to dupe common man, MAIMS organized a webinar on ‘Creating Awareness among Public regarding Prevention of Financial Frauds & Intellectual Property Rights on July 16, 2020. This programme was organized by Delhi Police jointly with eminent resource persons from Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), State Bank of India (SBI) online cards, Pension Fund Regulatory and Development Authority (PFRDA) and Institute of Chartered Accountants of India (ICAI). The webinar saw the presence of Mr S.S.K. Pradhan, General Manager, RBI; Mr Jaikar Mishra, Assistant General Manager, RBI; Ms. R.K. Meena, RBI; Ms. Veena Kumari, SEBI; Ms Nanda ICAI; Mr Pawan Kumar, SBI cards; Mr Jatinder Thakar, Paytm and Mr. Charanjot Nanda, ICAI.

Mr. S.S.K. Pradhan, RBI began the session by apprising the audience with classification of frauds, based mainly on the provisions of the Indian Penal Code:

- a. Misappropriation and criminal breach of trust.
- b. Fraudulent encashment through forged instruments, manipulation of books of account or through fictitious accounts and conversion of property.
- c. Unauthorised credit facilities extended for reward or for illegal gratification.
- d. Negligence and cash shortages.
- e. Cheating and forgery.
- f. Irregularities in foreign exchange transactions.
- g. Any other type of fraud not coming under the specific heads as above.

Mr Jaikar Mishra, RBI said that it has been observed that frauds are, at times, detected in banks long after their perpetration. Sometimes, fraud reports are also submitted to RBI with considerable delay and without complete information. On some occasions, RBI comes to know about frauds involving large amounts only through press reports. Banks should, therefore, ensure that the reporting system is suitably streamlined so that frauds are reported without any delay. Banks must fix staff accountability in respect of delays in reporting fraud cases to RBI.



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Ms. R.K. Meena, RBI talked about the procedure to be followed while reporting of frauds to Reserve Bank of India. Fraud reports should be submitted in all cases of fraud of Rs. 1 lakh and above perpetrated through misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of instruments like cheques, drafts and bills of exchange, unauthorized handling of securities charged to the bank, misfeasance, embezzlement, misappropriation of funds, conversion of property, cheating, shortages, irregularities, etc. The fraud reports in soft copy format involving all categories of frauds and hard copy format involving frauds of Rs. 5 lakh and above should be sent to the Central Office (CO) as also the concerned Regional Office of RBI, Department of Banking Supervision, under whose jurisdiction the Head Office of the bank falls, in the format given in FMR – 1, within three weeks from the date of detection. However, fraud reports in hard copy format involving frauds of Rs. 1.00 lakh and above and less than Rs. 5.00 lakh should be sent to the concerned Regional Office of RBI, Department of Banking Supervision only.

Ms. Veena Kumari, SEBI in her session said that as digitally based services multiply so does the importance and stress placed on traditional methods to identify and fight fraud. Rules based, often reactive paper-based processes are no longer sufficiently agile and sophisticated enough to battle new types of fraud. Financial institutions must adopt new strategies and maximise new technologies-the smarter use of artificial intelligence, detection techniques and identity solutions.

Ms Nanda, ICAI started by stating that as fraudsters continue to evolve in sophistication, financial institutions continue to invest heavily in detection to try to prevent fraud and reduce losses. Unfortunately, despite your best efforts — fraud can and will happen. Managing fraud as it happens, and after losses occur, can be challenging for institutions. Often, it is the responsibility of siloed teams using separate systems and manual effort, to collect and analyze fraud case information.

Mr Pawan Kumar, SBI cards said that Credit card, debit card, ATM cards and banking frauds are on the rise. He explained in detail the alert messages shared by SBI in order to avoid card skimming frauds, such as:

- Do not hand over your SBI Card to anyone, including company representatives or friends.
- Cover your keypad while entering your PIN at a public place or ATM.
- Make sure that your card is used/swiped in your presence.
- Remember to collect your card after each transaction to avoid theft.
- Do not disclose your PIN to anyone even if they claim to be SBI representative.
- Do not share your PIN, OTP, CVV and net banking user ID and password with anyone.

Mr Jatinder Thakar, Paytm said that mobile payments and banking has made it easy for us to



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pay, shop and save our money. Our lives are so much easier now. With advancements in technology, cyber-attack methods and tools have also changed from traditional vectors like malicious software and vulnerabilities to more ingenious scams that can be deployed from unexpected regions of the world. He explained some uncommon ways by which people using Paytm are duped, like, fake emergency phone calls, Vishing, Smishing, money mule, etc.

Mr. Charanjot Nanda, ICAI explained the meaning Intellectual Property Rights. He discussed that IPR is to keep and promote the development of new products and services based on the creation and management of inventions, trademarks, designs & creative content. He said that IPR manifests in diverse ways and refers to the creative content, sales and revenues among others, with a view to gaining monetarily from it. He focused on five important areas like copyrights, ethical rights, trademarks, patents, and trade secrets.

The session was very interactive and saw a registration of 362 participants, including faculty and students of MAIMS. The conscious audience raised many thought - provoking questions like Can someone hack my Paytm account? What is Paytm Cyber Cell? What is the difference between vishing and smishing? How to file a complaint against SBI credit card? How to dispute SBI transaction? What is accounting fraud? Etc.

In this insightful session the participants learnt that although fraud impact is well known in the merchant/card industry but how does it affect traditional bank payments in an increasingly open industry, where customer data moves more freely between institutions. It was indeed a valuable session wherein the participants gained awareness about the use of more productive strategies and proactive solutions to combat fraud.





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