



BANK FRAUDS

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ABSTRACT

This paper analyzes the issue of cheats from the viewpoint of managing an account industry. The examination looks to assess the different causes that are in charge of banks cheats. It intends to look at the degree to which bank representatives take after the different extortion counteractive action measures including the ones endorsed by Reserve Bank of India. It intends to give an understanding on the view of bank representatives towards preventive component and their mindfulness towards different fakes. The examination connotes the significance of preparing in avoidance of bank fakes. A solid arrangement of interior control and great business hones anticipate fakes and moderate misfortunes. The examination uncovers that execution of different interior control components are not up to the stamp. The outcomes show that absence of preparing, overburdened staff, rivalry, low consistence level (how much methodology and prudential rehearses surrounded by Reserve bank of India to anticipate fakes are taken after) are the fundamental explanations behind bank cheats.

The banks should take the rising diagram of bank fakes genuinely and need to guarantee that there is no laxity in inward control component.

INTRODUCTION

Banks are considered as essential hardware for the Indian economy. This specific part has been hugely developing in the ongoing years after the nationalization of Banks in 1969 and the advancement of economy in 1991. Due to the idea of their day by day movement of managing cash, and even in the wake of having such a directed and very much controlled framework it is exceptionally enticing for the individuals who are either related the framework or outside discover blames in the framework and to make individual picks up by misrepresentation. A bank extortion incorporates an impressive extent of clerical violations being researched by the specialists. These fakes, not at all like common violations, the sum misused in these wrongdoings keeps running into lakhs and crores of rupees. Bank extortion is a government wrongdoing in numerous nations, characterized as intending to acquire property or cash from any governmentally guaranteed monetary organization. It is now and then thought about a white neckline wrongdoing.

Managing an account has been characterized under section 5(b) of the Banking Regulations Act 1949¹. As indicated by it managing an account implies tolerating, to lend or speculation, of stores of cash from people in general, repayable on request or something else.

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https://www.nabard.org/pdf/India_Banking_Banking_RegulationAct1949.pdf



To comprehend the idea of Bank Fraud, we have to comprehend the idea of misrepresentation what's more, the different sorts of cheats and the approaches to recognize the same and the counteractive action of the same.

**CHAPTER 1
WHAT IS FRAUD?**

Generally, an untrustworthy demonstration or conduct through which one individual picks up or attempts to pick up favorable position over another which brings about the loss of the casualty, specifically in a roundabout way is called as misrepresentation.

Under the IPC, misrepresentation has not been characterized straight forwardly under a specific segment, but rather it accommodates disciplines for different acts which prompt commission of misrepresentation. Nonetheless, segments managing swindling, camouflage, phony, falsifying, misappropriation and break of trust cover the same satisfactorily. The agreement Act under section 17 states extortion implies and incorporates any of the demonstrations by a gathering to an agreement or with his intrigue or by his operators with the goal to cheat another gathering or his specialist or to initiate him to enter in to a contract².

- The proposal, as a reality of that which isn't valid or by one who doesn't trust it to be valid

- The dynamic covering of a reality by one having information or conviction of the reality
- A guarantee made with no goal of performing it
- Some other demonstration fitted to bamboozle
- Any such demonstration or exclusion as the law uncommonly pronounces to be false.

By perusing the important IPC arrangements and Contract Act, the basic necessities for misrepresentation are³:

ESSENTIALS OF FRAUD

- Representation of an act
- Believed to be falsed
- Inducement to act

BANK FRAUDS & ELEMENTS

As expressed before, the measure of misfortune supported as result extortion surpasses the misfortunes due some other crime(s) set up together. With the rising managing an account business, cheats in banks are also extending and the fraudsters are ending up being progressively intricate and keen. In an offer to keep pace with the developing circumstances, the managing an account portion has separated its business complex. Substitution of the hypothesis of class keeping money with mass saving money in the post-nationalization period has hurled a lot of troubles to the organization

² <http://www.legalserviceindia.com/article/1261-Bank-Frauds.html>

³ Banking System, Frauds and Legal Control, RP Nainta



on obliging the social obligation with monetary sensibility.

The four most critical components for constituting extortion are; the dynamic contribution of the staff, inability to take after the directions and rules of the bank by the staff, intrigue between specialist, officials and lawmakers to twist the guidelines and controls and some other outside variables.

LEGAL REGIME TO CONTROL BANK FRAUDS

- The Indian Penal Code, 1860
- Criminal Procedure Code, 1973
- The Negotiable Instruments Act, 1881
- The Reserve Bank of India Act, 1934
- SARFAESI Act, 2002
- The Banking Regulations Act, 1949

IMPACT OF FRAUD IN INDIA

"Offenses identified with saving money exercises are limited to banks as well as harmfully affect their clients and society at large⁴"

Numerous ongoing misrepresentation occurrences announced are identified with settle stores, advance payment, and credit and platinum card fakes and ATM based fakes. Every one of these fakes demonstrate that not just they undermine the benefits, dependability of administrations and working efficiencies yet can likewise affect the general public and the association itself. With the expansion in the gravity of such

occasions it is affecting the benefit of the part and there is an expansion in the NPAs. This ascent in the NPA is a genuine danger to the Indian Banking Industry as the strength of a nation's keeping money and monetary part decides the nature of items and administrations. It is likewise an immediate marker of the expectations for everyday comforts and prosperity of individuals. In this manner if there is abnormal state of NPAs in the keeping money framework, at that point it mirrors the trouble of borrower and the wasteful aspects in the transmission system. The Indian economy endures extraordinarily because of these occurrences.

Misrepresentation has likewise hampered the development of this foundation/industry. It is a tremendous executioner for the business division and fundamental factor to every human undertaking. It likewise builds the debasement level of a nation. Indeed, even after there are different measures taken by the RBI to breaking point or diminishing the recurrence of fakes, the measure of cash lost is still on the ascent.

**CHAPTER 2
CLASSIFICATION OF FRAUD AND PREVENTION**

To keep up consistency in extortion announcing, fakes have been ordered based on sorts and arrangements of the Indian Penal Code, and the detailing rules for the same has been endorsed by RBI The

⁴ http://articles.economicstimes.indiatimes.com/2013-10-14/news/43027531_1_offences-bank-employee-moral-turpitude



Reserve Bank of India groups Bank fakes in the accompanying categories⁵:

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

**MECHANICS OF BANK FRAUDS
DEPOSIT ACCOUNT FRAUDS**

The following types of frauds are generally committed

- Value inflation of cheques deposited
- Changing the nature of the cheques (Crossed to bearer)
- Operating a dormant account fraudulently
- Non deposition and misappropriation by agents

PREVENTIVE MEASURES

- Careful and systematic examination procedures of cheques and other transactions.

- Separation of book keeping and Cash handling operations.
- Using Black light, adhesive tapes and pathfinders to ensure that originality and prevent material alteration.

PURCHASED BILL FRAUDS

These are generally expensive and can take the following forms:

- Discount on Stolen or Fake Railways Receipts and motor receipts along with other necessary bills.
- Forged/ fake bills with inflated value, drawn on sister concern are discounted.
- Fake/ Forged bills for valueless goods are discounted.

PREVENTIVE MEASURES

- Examining the receipts properly and strictly by confirming from the concerned authorities.
- In case of auction, inform the authorities regarding the interest of the bank in the property so as to get information incase of non collection of goods.
- Establishing a better connection between the purchaser and the seller in case of dispatch of proceeds.
- Strict examination before discounting the bill.

HYPOTHECATION FRAUD

Cash advances, against pledged goods, as security are fertile field for frauds.

⁵
http://rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=9808



- Unauthorized removal of hypothecated good from the godowns.
- Some of the stocked goods in large quantity may have less value
- Inflation of stock statements.
- Valueless and meaningless stocks are offered as security.
- Hypothecating same goods in favour of different banks.
- Proper verification of documents and the purpose for taking the loan
- Including the local authorities as to verify the authenticity of the loan purpose and authentication
- In case of a substantial amount of loan taken, it should be checked by the competent authority.

PC RELATED FRAUDS

PREVENTIVE MEASURES

- Strict examination of the bank representative's and borrower's credential
- Only marketable goods to be accepted as security
- Proper evaluation of stocks
- Verification of statements of stocks

To give productive and quick administration, the greater part of the branches of the banks with the exception of the ones in the country and remote territories have been automated. Very few fakes identifying with PCs have yet been accounted for so far as computerization in the Indian banks is of late cause. In any case, in the western nations where for all intents and purposes everything is mechanized, an expansive number of digital violations in the managing an account area are accounted for all the time. There is a need to break down the idea of such wrongdoings with the goal that suitable preventive measures might be conceived. Regularly following sorts of cheats are submitted.

LOAN FRAUD

The following types of frauds are generally committed;

- Two different person taking loan on the same item or product
- People taking loan without a providing actual address and disappearing at the time of repayment.
- Loan taken for one purpose but used for a different purpose i.e loan taken for agriculture but used for personal purposes
- Borrowing is denied when the particular person is alleged of non payment.

(a) Spy programming is concocted by the digital lawbreakers to split the passwords. They go into the PC arrangement of the banks and control the information to exchange the cash from other's records.

(b) Computer infection is made by the devilishness mongers who discover route into the PC framework by method for messages. These infections decimate the information put away in the PCs and back off the whole PC framework. It is once in a while charged that the makers of hostile to infection programming themselves make

PREVENTIVE MEASURES



infection with the goal that their item might be sold in the market.

(c) Hackers are PC specialists who take the passwords and access the characterized data put away in the PC framework. They don't dread to "attack" the administration offices including military foundations to carryout their accursed plan to devastate and ruin the date put away in the PC frameworks. Such acts are conferred typically not for any material pick up but rather to infer mental fulfillment out of other's sufferings.

(d) Wire tapping is a wrongdoing conferred by tapping the wire of the ATMs of the banks to pull back cash out of other individual's record. The fraudster, for this situation, appends a remote amplifier to the phone line associating the ATM with the bank's PC and records motions through wire tapping while a client is utilizing the ATM. These signs are later on used for pulling back cash.

The Government of India sanctioned the Information Technology Act, 2000 to accommodate discipline and punishments in regard of cheats submitted in regard of PCs. Segment 43 of the said Act accommodates robust harms upto rupees ten lakhs payable by the guilty party to the individual influenced in the event that there are unapproved acts submitted in regard of someone else's PC framework like access, downloads or taking duplicates of the data or information put away, presentation of PC contaminant or PC infection, harms to the PC or its framework and so on. Further, the said Act also provides for punishment with imprisonment upto three years for tampering with computer source documents and for hacking the computer systems.

CHEQUE FRAUDS

This constitutes the biggest volume of bank frauds. This crime is done in the following forms:

- Cheques are stolen, filled and signed spuriously and encashed.
- The signed cheques are stolen and are encashed with alterations, if needed
- Cheques issued by organisations for employees are duplicated
- Alteration of cheques to increase the amount or change the beneficiary or add an additional beneficiary.
- Cheque Kitting: Cheque Kiting exploits a system in which, when a cheque is deposited to a bank account, the money is made available immediately even though it is not removed from the account on which the cheque is drawn until the cheque actually clears⁶.

PREVENTIVE MEASURE

- The instrument must contain a proper date
- The cheque must be checked thoroughly and the character should be verified
- Checking the signatures which should be genuine.
- The amount should be checked that it should be written in both numerical and words.
- Checking cheque kitting.

⁶ <http://www.legalservice.com/article/1261-Bank-Frauds.html>



DISHONOUR OF CHEQUES

Shame of checks or check ricochets are an intense issue and it is winding up much greater. To adapt to this issue which was influencing the smooth business exchanges, the Government of India has presented the Negotiable Instruments Act, 1881 which accommodates arrangements to manage instances of check ricochet under section 138 to 142. The Supreme Court of India in a point of interest judgement⁷ has additionally given new rules to manage check ricochet cases. Section 138 of the Negotiable Instruments Act, 1881 "Where any check drawn by a man on a record kept up by him with an investor for installment of any measure of cash to someone else from out of that record for the release, in entire or to a limited extent, of any obligation or other risk, is returned by the bank unpaid, either in view of the measure of cash remaining to the credit of that record is lacking to respect the check or that it surpasses the sum masterminded to be paid from that record by an understanding made with that bank, such individual will be considered to have submitted an offense and will, without bias to some other arrangements of this Act, be rebuffed with detainment for 1[a term which might be reached out to two years], or with fine which may stretch out to double the measure of the check, or with both: Provided that nothing contained in this segment will apply except if -

(a) the check has been displayed to the bank inside a time of a half year from the date on which it is drawn or inside the time of its legitimacy, whichever is prior;

(b) the payee or the holder at the appointed time of the check, by and large, makes an interest for the installment of the said measure of cash by giving a notice in composing, to the cabinet of the cheque,²[within thirty days] of the receipt of data by him from the bank with respect to the arrival of the check as unpaid; and
 (c) the cabinet of such check neglects to make the installment of the said measure of cash to the payee or, by and large, to the holder at the appropriate time of the check, inside fifteen long periods of the receipt of the said take note⁸.

CREDIT AND DEBIT CARD FRAUD

The presentation of plastic cash likewise acquired the cheats as a characteristic wickedness drop out. As more number of individuals utilizing them there is an ever increasing number of odds of misrepresentation in the related part. The case is much more terrible in remote nations where the general utilization is considerably higher than in India.

The different methods of credit/charge card extortion are:

a) ABUSE OF GENUINE CARDS : The honest to goodness cards are stolen while in travel from the organization to the client or from the proprietors and now and again the card is stolen, and there is an abuse of the stolen cards. Indeed, even now and again the cardholders dishonestly report about their card being stolen and go on a shopping

⁷ ('MANU/SC/1391/2013'); Indian Bank Association vs. Union Of India

⁸ <http://www.manupatrafast.in/Search/dispsearch.aspx?nActCompID=25842&iPage=1&hText=>



binge before the acquirer bank suspends the exchanges or square the card.

b) ALTERED CARDS: A modified card is a unique card just which is adjusted by the fraudster by giving another name and if replaces the mark strip likewise then he gets veritable record number from a bunco bankster. It is exceptionally anomalous and can harm the security highlights of the card gave by the bank.

c) WHITE PLASTICS : The copy fake cards are called as white plastics. They are the duplicate of the first bona fide cards. They have pictorial similitudes yet doesn't have the security highlights.

d) IMPERSONATION FRAUDS : These are likewise called as application fakes. The fraudster expect the name and address of some surely understand identity and gathers the card.

PREVENTIVE MEASURES

- Speeding up the transmission of data about the stolen or adjusted card through a committed site.
- Appointing prepared administrators to perceive and separate amongst certified and unique cards
- Monitoring the working of the deal terminals intermittently to identify corrupt traders.

**CHAPTER 3
CASE LAWS
VIJAY MALLYA BANK FRAUD**

The flashy alcohol nobleman, Vijay Mallya, once hailed as the King of Good Times and Indian rendition of Richard Branson, is being pursued by relatively every establishment in the nation — the banks, controllers and, at long last, the legal — for the Rs 9,000 crores he owes to the moneylenders. How did Mallya tumble to his present situation, where he is by and by considered responsible for the disappointment of the aircraft business Kingfisher Airlines and postponed reimbursement of advances? The appropriate response lies in a choice constrained on him by moneylenders in 2010 to give a second rent of life to the carrier that was then on the precarious edge of a crumple.

"Mallya had his luck run dry. Banks demanded him to offer individual assurances for any further loaning," said a resigned broker, who was already with State Bank of India (SBI), on state of namelessness.

"Something else, there was no motivation behind why Mallya is by and by considered in charge of the reimbursement of the advance (Rs 9,000 crore presently including the gathered intrigue sum). There are greater focused on borrowers (organizations) around," the financier stated, giving cases like Bhushan Steel and Winsome Diamonds. The Kingfisher Airline, grounded in 2012, never made benefit in its eight long stretches of activities. At the point when Mallya moved toward the gathering of moneylenders for additionally loaning in 2010, there was not kidding contrasts of conclusion among the gathering of senior investors in SBI, and different banks in the consortium, on for what reason should they loan to the carrier once more. In any case,



the dominant part choice was to go for broke again and loan to Mallya.⁹

"It was, as it were, tossing great cash after terrible (since the KFA introduction was at that point focused on)," the financier cited prior said. "In any case, on the off chance that we didn't do that by then, the introduction till then would have turned sour in a split second. Nobody needed that to happen. There was no alternative before us," said the authority. Be that as it may, everybody comprehended what was in the store, however nobody said anything in the discourse room. "The disposition was somewhat that of vulnerability and halfway positive thinking," the financier said. Financiers were idealistic on the grounds that Mallya himself was cheerful of pivoting the aircraft, despite the fact that the whole avionics industry was grabbing in murkiness. Amusingly, in any case, in spite of Mallya's good faith, everybody saw the written work on the divider.

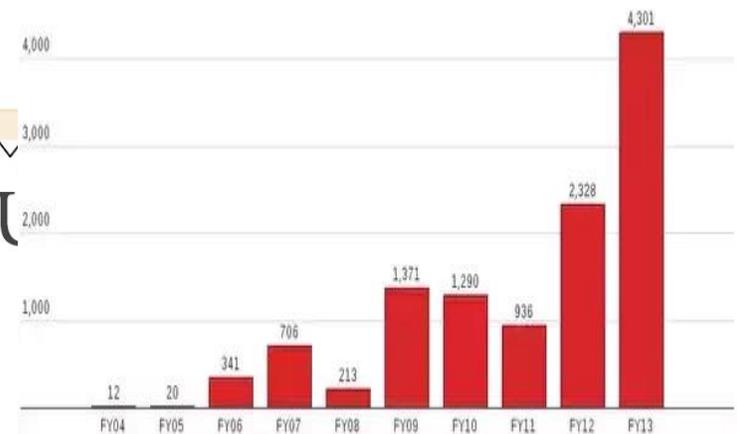
MOUNTING LOSSES

In March 2012, Kingsiher ended its global activities to Europe and Asian nations and chop down neighborhood flights to 110-125 multi day with an armada of 20 planes from 340 flights prior to spare cash. By October 2012, the flying creature fluttered its wings for the last time. From that point forward, it hasn't seen the skies.

Kingfisher, once the second-biggest aircraft in India, had little odds of continuing its activities since the important administrative endorsements were not in sight and its asset

report was dying. The organization's misfortunes had broadened to Rs 2,142 crore for its monetary final quarter finishing off with March 2013, contrasted and a net loss of Rs 1,150 crores every year sooner. The amassed misfortunes as of March 2013 remained at an incredible Rs 16,023 crore.

KINGFISHERS AIRLINES' NET LOSSES IN RSCORE



its contribution had mounted to over Rs 15,000 – Rs 16,000 crore to banks, airplane terminals and others and its flying licenses terminated toward the finish of a year ago. The demise chimes were beginning to ring. In his distress to restore the carrier, Mallya twice submitted recovery wants to the flight controller, with parent UB Group conferring starting subsidizing, however with no luckiness. In its eight-year life, the aircraft never made benefit even once.

Mallya stayed hopeful however not to lose the carrier's permit. "We have not presented a goal-oriented arrangement. We have presented a holding design," Mallya told correspondents, while the legislature wasn't

⁹ <https://www.quora.com/What-exactly-is-the-Vijay-Mallya-case-Can-someone-explain-it-briefly>



persuaded. "The issue is in the last a few months, he's given such a large number of plans and he's not clung to any of them," the then Aviation Minister Ajit Singh told journalists in New Delhi.

PANIC GRIPS BANKS

Bank loan exposure to Kingfisher Airlines	
Bank	Rs crore
SBI	1,600
PNB	800
IDBI Bank	800
Bank of India	650
Bank of Baroda	550
United Bank of India	430
Central Bank	410
UCO Bank	320
Corporation Bank	310
State Bank of Mysore	150
Indian Overseas Bank	140
Federal Bank	90
Punjab & Sind Bank	60
Axis Bank	50
Total of 14 banks	6,360
Others 3 banks	603
Total of 17 banks	6,963

Frenzy was starting to set in the managing an account industry, particularly state-run banks, which were the dominant part in the saving money consortium. All things considered, banks needed to answer a great deal to investors not only for additionally loaning to Mallya in 2010, yet to offer liberal credit recast offices and changing over the obligation of Kingfisher to value at an enormous premium.

In mid 2011, the bank consortium including SBI had changed over obligation adding up to Rs 1,400 crore into value at a 60 percent

premium to the overall market cost. Passing by the stock trade information, on March 31, there was particular distribution to SBI and ICICI Bank due for change of necessarily convertible inclination shares into value shares at a cost of Rs 64.48 each. Keep in mind, on that day, KFA shares shut at Rs 39.90 on the BSE.

"Inside a couple of months, the offer esteem had dissolved so much that banks were placed in a troublesome position," said the broker cited before. Kingfisher last exchanged at Rs 1.36 on the BSE on 22 June 2015. The whole credit rebuilding activity to Kingfisher was managed with no uncommon administration from the RBI, which implies that banks needed to make overwhelming provisioning on their books, trusting that the aircraft will restore at some point or another and pay back the cash. That never happened. At last, Kingfisher, was pronounced a NPA by most banks, including SBI, towards the finish of 2011 and start of 2012. The greater part weight of Kingfisher credits was on government-possessed banks. The most brilliant in the part was ICICI Bank, which figured out how to offer its whole Rs 430 crore Kingfisher advance presentation to an obligation finance oversight by the Kolkata-based Srei Infrastructure Finance Ltd in mid-2012. The sarkari banks were the genuine bakaras in the whole story.

Banks' odds of recovering their cash from Mallya are less since Kingfisher scarcely has any benefits left for banks. Regardless of whether banks simply ahead and offer Kingfisher resources, for example, the Kingfisher House in Mumbai, it will bring just a small amount of what is in question. The main seek after banks is if Mallya himself have a difference as a primary concern and chooses to pay back banks from



his own riches (Mallya has shares worth Rs7000 crore in different organizations and parcel more in settled resources).

"Yet, all that will happen on the off chance that he comes back to the nation and say he will pay back," the investor stated, including that financiers are more goaded by Mallya displaying his riches openly even now when a large number of crores are in question. As indicated by reports Mallya effectively got \$40 million of his severance pay from Diageo before he traveled to UK. Can the last fight between banks, drove by SBI, and Mallya in Supreme Court and Bangalore DRT result in moneylenders recovering their cash. Odds are less.

NIRAV MODI BANK FRAUD

On Feb. 14, Punjab National Bank (PNB), India's second-biggest government-claimed moneylender, sent stun waves around the nation when it proclaimed that it had been duped of about \$2 billion (over Rs13,000 crore). Diamantaire Nirav Modi and his uncle Mehul Choksi had supposedly siphoned cash for more than seven years through illicit bank ensures from a solitary branch in Mumbai, with the assistance of a couple of bank representatives. Following the revelation, the nation's best investigative organizations, the Central Bureau of Investigation (CBI) and the Enforcement Directorate (ED), ventured in. A few bank representatives, including its previous CEO and official executives, have been accused of charged inclusion in the misrepresentation.

Very nearly a 100 days after the trick broke, here is the thing that we think about India's greatest ever credit misrepresentation. The CBI first documented a body of evidence

against the couple on Jan. 31, however both had just been on the kept running by at that point. Modi was first said to be in Switzerland and after that in the US. Presently, he is accepted to be in London going on a Singaporean international ID, as indicated by an India Today report. He is additionally allegedly investigating approaches to get political shelter in the UK. The ED, in the mean time, has appended Modi's properties worth Rs171 crore. Choksi, as well, has declined to come back to India, referring to medical problems, the dread of a media preliminary, and wellbeing concerns¹⁰.

The trial has managed a body hit to the moneylender. It detailed a net loss of Rs13,411 crore amongst January and March 2018. That is the most elevated ever quarterly misfortune by any Indian bank. Its gross non-performing resources (NPAs) additionally took off to Rs86,620.05 crore, or 18.38% of its aggregate advances. After its poor execution, FICO score office Moody's Investor Services minimized the bank to "garbage," proposing it does not merit putting resources into. Over the most recent few months, PNB has attempted a few endeavors to rescue its notoriety, yet financial specialists stay unmoved. The stock, exchanging at Rs78.20 as of May 21 on BSE, has lost a large portion of its incentive since Feb. 14.

A week ago, the CBI recorded two diverse charge sheets denouncing Modi and Choksi, and a portion of their workers, of incubating a criminal scheme against the bank. Previous overseeing chief and CEO, Usha

¹⁰ <https://qz.com/1284400/pnb-nirav-modi-case-what-we-know-after-almost-100-days-of-indias-biggest-bank-fraud/>



Ananthasubramanian, and two official executives (EDs), have additionally been named by the CBI. Not long after the case was recorded, the two EDs were ousted, while Ananthasubramanian, the present CEO of Allahabad Bank, has been stripped of her official forces. The CBI has considered these authorities in charge of criminal rupture of trust, enabling Modi and Choksi to amusement the framework and control the Society for Worldwide Interbank Financial Telecommunications (SWIFT), an informing framework utilized all around for cross-outskirt support exchanges between banks.

Amid Ananthasubramanian's residency at PNB in the vicinity of 2015 and 2017, the Reserve Bank of India (RBI) had raised warnings about the breaks in the SWIFT framework. These were supposedly disregarded by the administration. "... the misrepresentation was professedly executed notwithstanding the learning of senior authorities of PNB, who did not actualize the handouts and alert notification issued by the Reserve Bank of India with respect to shielding the SWIFT tasks and rather, distorted the true circumstance to RBI," the CBI said in a discharge on May 16.

The test organization has allegedly asserted that Ananthasubramanian was very much aware of the extortion and that she'd even met senior administrators from Modi's organizations routinely, including the CFO of Firestar International. Another inside test at PNB has brought about the suspension of more than 20 workers up until this point.

These frauds are a creation of the experienced criminals, frantic customers or someone associated with the banking system or a bunco bankster or their collusion. Most of time with a strict vigilance and examination of various documents, their work can easily be detected. The preventive measures stated above in this module will surely help if followed correctly in combating the issue of bank frauds. Information of the conceivable avenues can keep the banker cautioned and subsequently help in battling the frauds.

These Frauds are now becoming more and more frequent and can be considered as one of the main reasons for damaging the economy of the country and with such high profile frauds happening all over the country, it has become necessary to put a check to these activities and if possible to create a more stringent legislation to deal with these issues.

Sticking to the rules and eternal vigilance is the basic preventive measure¹¹.

CHAPTER 4 CONCLUSION

¹¹ Sharma BR; Universal Law Publishing; Bank Frauds – Prevention and Detection