
**JUSTICE DELIVERY OF ECONOMIC OFFENCES/ WHITE COLLAR
CRIMES: CASE OF INDIA**

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Doi: <https://doi-doi.org/101555/ijarp.7615>**INTRODUCTION**

In 1939, Edwin Hardin Sutherland, the most well-known criminologist of the 20th century, as well as a sociologist—described "white-collar crime" as "crimes committed by people who enjoy the high social status, great repute, and respectability in their profession." A corporate executive with a prominent position inside the company is guilty of this crime, which he does as part of his job. Trade and technological advancements have made white-collar crime a worldwide phenomenon. Like any other nation, India is plagued with white-collar crime. The sharp increase in white-collar crime over the past few decades can be attributed to the developing world's fast expanding economy and industrial sector.

White-collar crime is quite expensive for firms. These companies raise the price of their goods to offset the loss, which lowers the number of customers who purchase them. This is predicated on the law of demand, which holds that as a product's price rises, demand decreases, and when it lowers, demand grows, all other things being equal. The company's deficit is being passed down to employee salaries. Every year, the corporation fires a number of people. The businesses find it more difficult to pay back their loans. As a result, getting credit is getting harder for more people.

The term "white-collar crime" describes the non-violent, profit-driven crimes committed by government and corporate personnel. Economic offenses, on the other hand, are crimes involving money. These offenses are carried out while conducting business or conducting an economic activity. Although the term "economic offenses" has been defined in several regions of the world, including the US, India still lacks a strict definition for the term. It can be difficult to identify the different kinds of crimes because of this. The research topic is founded on a critical analysis of Indian legal systems and white-collar crime.

The primary focus of this study is to familiarize the reader with the legal system pertaining to Economic Offenses, White-Collar Crimes, and the factors that contribute to these crimes. Finding and evaluating a critical study on white-collar crime in India is the goal of this research effort.

STATISTICS

Year	Cases filed (In lakhs approx.)
2014	1.42
2015	1.50
2016	1.43
2017	1.49
2018	1.56
2019	1.66
2020	1.72
2021	1.88
2022	1.93

Source: (NCRB has not released the data for the 2022 year).

This case aims to provide comprehensive information about white-collar crime in India, while the project's focus will be the administration of justice

OBJECTIVES

- To examine the current legal structure in India for the management of white-collar crime.
- To investigate India's processes for investigating and trying cases of white-collar crime and the departments that deal with them.
- To investigate India's current sentencing policies for white-collar crimes.
- To develop appropriate policies and recommendations to effectively address white-collar crime in India.

LITERATURE REVIEW

The notion of economic offenses is covered in the Law Commission's 47th Report, along with its many modifications, scope, inquiry, administrative adjudications, preventive detention, and investigation procedures. The recommendations are also shown in this report. Additionally, it states that economic crimes significantly impair society. These economic crimes include, but are not limited to, tax evasion, document trafficking, black marketing, and the exploitation of various government personnel.

Mr. Diganath Raj Singh discusses the idea of economic sins in his blog, with particular reference to India. This study provides an in-depth analysis of the NCRB's crime rate data, which indicates an annual increase in the rate. If we examine the past of economic crimes, we

find that the offenders obtained large bank loans as a result of the financial crises. This study also looks at how economic crimes affect supply and demand.

The NCRB has categorized economic offenses into broad categories, including fraud, criminal breach of property, and counterfeiting, according to a report in the Hindustan Times. In the judicial delivery system, there has been a minor improvement in the way cases are handled. The number of cases pending is declining, yet the low conviction rate indicates that there is still some injustice.

The Sardar Patel University of Police's study on criminal justice claims that while other developed nations like the United States and Florida have specialized institutions for the same crimes, India lacks a systematic enforcement mechanism for dealing with economic offenses. The national economy has suffered greatly from the economic offense of the past few decades, as seen by the rates of inflation, the marginalization of the tax base, and the non-equilibrium norms of the Indian economy.

Research Methodology

Research Type

Results are more genuine and realistic and have been obtained by utilizing primary and secondary sources. With the aid of surveys, earlier studies in the subject, newspaper stories, NCRB Data sets, various governmental agency reports, books, law commission reports, and several laws and codes, the research focuses on both descriptive and empirical research data. Population and sample: An online survey was used to gather information on people's legal knowledge, prior experiences, opinions about economic and white-collar crimes, and other related topics. We received thirty responses in all. People provided some insightful suggestions in their answers.

TYPES OF WHITE-COLLAR/ ECONOMIC OFFENCES

BANK FRAUD: Commercial banks deceive their clients in order to commit crimes like bank fraud. Cases using negotiable instruments, such as shares, bounced checks, and other associated acts that endanger fiduciary and confidence relationships against corporate entities, are considered bank frauds. Among the most pertinent instances within this subject is Sahara v. SEBI. This case involved the company's prospectus containing incorrect information, which led to numerous investor cases being filed with the Supreme Court. Based on the facts and the investor accusations, the court ordered the corporation to return around Rs. 5120 crores.

A. BRIBERY: Money is used to pay higher ranked officials to carry out their legal obligations. In the Satya Narayan Sharma v. State of Rajasthan case, the Supreme Court rendered a value judgment to restrict some aspects of bribery. **LAUNDERING MONEY** This crime is committed by engaging in illegal conduct while concealing the originating declarations or ownership of the money obtained. The primary goal of taking part in the money laundering process is to establish the validity of the source through many transactions, so proving that the funds were obtained legally.

In Rohit Tandon v., the court ruled that the Enforcement Directorate is subject to criminal activity related to a scheduled felony, including the concealment, ownership, purchase, or use of property by claiming or projecting it as uncertain property and converting it by bank draught. Section 3 of the Act would be broken, and Section 4 would impose penalties.

C. TAX EVASION

This violation is committed by concealing the first stat: In this regard, one could contend that practices such as tax evasion are employed to conceal the true amount of taxable income. A number of strategies that serve as eyewash for government officials are being used to reduce the amount of tax that taxpayers must pay. To uncover black money held by the general public, India passed the Special Bearer Bonds (Immunity and Exemption) Act, 1981.

D.FOOD & ADULTERATION: According to a recent estimate by the Ministry of Health of the Indian government, almost 70% of food and other edible materials are naturally polluted. There are threats to public health in addition to other responsibilities. The selling of contaminated food and medications to the general people, which can have serious health effects, is one of the most prevalent forms of white-collar crime that target Indian society today. According to reports published by the Indian government's Ministry of Health, about 70% of the nation's food is tainted. The Delhi Municipal Corporation is opposed by Kacheroo Mai Sarkari.

The act ought to be decided and thoroughly examined in accordance with the guidelines of the Prevention of Due to the pervasive problem of food adulteration, the Corruption Act was introduced for social protection. It seeks to destroy social and economic mischief, an evil that seeks to enrich itself by contaminating life's essential resources. Concern over the damage that food adulteration does to the general public's health is growing. Adulteration is a crime that affects society.

E. HOARDING & BLACK MARKETING: Business-related activities such as hoarding and illegally selling necessities, which have increased in popularity in India recently, are being used to make huge profits. The government has established particular rules and regulations, such as the Trade Restrictive Acts (Amendment) Act of 1992 and the Consumer Protection Act of 1986, to stop these illegal activities. Both offenders and non-offenders face severe consequences for breaking these rules and regulations. The complainant was placed in Bhim Sen under Section 3(2) of the Preventive Detention Act. Regarding R.S. Mothra Das v. The Punjab State should stop them from doing anything that might jeopardize the community's capacity to maintain its clothes supply. The grounds go into great length about the appellants' positions as management executives, business associates, or workers for the companies.

They were allegedly selling fabric supplies from District at "exorbitant" prices on the black market. In order to sell them on the black market for "exorbitant" prices, they use unlawful means to deny the legitimate claimants access to different fabric stocks.

IDENTITY THEFT: The fraudulent exploitation of someone else's personal information for financial gain is known as identity theft. The victim's name, address, phone number, and banking details are the most often obtained pieces of information by the thief. This information could have come from spam, your computer, or even a previous business associate. After that, the data is utilized to apply for loans and make purchases in your name. In 1998, Congress recognized the growing menace of identity fraud and made it a federal crime. It is now considered a crime with more severe penalties.

A bank management trainee was engaged and getting married in the Bank NSP Case. The two used to send a lot of emails using company technology. Following their breakup, it was found that the girl had created the email account "India Bar Associations" and was contacting the boy's overseas-based clients with unsolicited emails. Because she was standing next to the boy, she knew intimate details about his business dealings and his clientele. She used the bank's phone to send these emails. As a result, the boy's business lost a lot of customers and filed a lawsuit against the bank. The bank was deemed accountable since the email was transmitted to their system.

A. HEALTH CARE CRIME: What is a health-care fraud exactly? It is illegal for anyone or anything to take advantage of the health insurance system for their own benefit. A individual, organization, or medical professional may perpetrate this type of crime. Among these are the following circumstances:

- Providers who carry out pointless processes in order to receive payment from the insurance provider.
- Making up a diagnosis to support unnecessary testing → Charging the insurance company too much medical identity fraud is a significant issue.
- Providers who charge more than the procedures are worth should be avoided.

RECENT WHITE-COLLAR/ ECONOMIC OFFENCE CASES

SEBI v. Burman Plantation and Ors. There have been claims that the company is bankrupt and cannot pay its investors and creditors. Moreover, there was no disclosure of the investor's entire investment amount. The Allahabad High Court held the accused liable in line with SEBI Act Section 24(1).

Abhay Singh Chautala v. CBI-The Abhay Singh Chautala v. CBI² lawsuit was filed on the grounds of Section 13 of the Prevention of Corruption Act, 1988 and Section 109 of the Indian Penal Code. It was alleged that they received unequal compensation while serving in the Legislative Assembly. They were held responsible by the High Court's decision.

Binod Kumar v. State of Jharkhand and Ors-After the Jharkhand Chief Minister was charged with embezzlement, the case was referred to the CBI. Since no evidence was found, an even more exhaustive investigation was carried out. The court determined that the white-collar crime was committed in violation of the IPC, 1860, and PCA, 1988.

Kanwar Jit Singh Kakkar v. State of Punjab & Anr.-The ruling rendered by Justice Katja and G.S. Misra states that the wrongdoing was committed in violation of the IPC and PCA, which prohibits him from engaging in outside private practice while holding a profit-making position and amounts to professional compensation.

WHITE-COLLAR CRIME

The economic offenses widely influence the economic security of India negatively. This fact has more clear ideas in the countries that have economic rent.¹ The victim faces pecuniary and monetary losses and authorities getting somewhat difficult to curb these.

CAUSES: Capital loss, tax evasion, unequal resource allocation, financial windfalls, health and security controls, and other problems are the primary causes of economic offenses. Legal and regulatory gaps, unethical activity, stolen entities, advanced technology, low job incentives, competitiveness, low literacy and conviction rates, ignorance, unemployment,

greed, peer support, and lack of money flow The absence of strong regulations, corruption, the role of the internet, the government's indifference to unlawful activity, the lack of moral protections, the absence of standards for industrial ethics, and many other challenges.

IMPLICATIONS:The greatest number of reported occurrences in 2016 caused the economy to suffer the most. These crimes damage the integrity and sovereignty of the entire country rather than having a major effect on a single person. At least 24 different kinds of economic violations exist, and the quick and easy process is not occurring as frequently as it ought to due to improper contestation. The NCRB claims that tax evasion is the most prevalent kind of violation, happening with unimaginable frequency. Furthermore, the rise in economic crimes outpaced that of India's peak industrialization and urbanization.

GROWTH: LIVING DEAD NATION-The trend for economic infarction is rising, and raising judicial awareness is one of the best strategies to stop it. These economic transgressions can also be viewed as the most dangerous type of criminal activity that is weakening India's economy. Experts predict that if this is not managed in a timely manner, India may turn into a "LIVING DEAD NATION."

WHITE-COLLAR CRIME

The government has made these laws somewhat stringent to control these crimes and make them diminished. There are several laws to curb these in the present Indian legal framework as follows:

Sl. No.	Name of the legislation	Remarks
1.	Indian Contract Act, 1872	Along with definitions and prohibitions against active concealment of facts, frauds, dishonest concealment, and deceptive intentions, this Act provides the FRAUS OMNIA VITIATE concept, which asserts that everything is violated by fraudulent behavior.
2.	Prevention of Corruption Act, 1988	This Act outlaws corruption and the harmful activities that go along with it. By providing definitions for phrases like "public duty," "public servant," and "public authority," the Act broadens its purview to encompass the 1964 Sanathan Committee report's suggestion to lower white-collar crime.
3.	The Companies Act, 2013	This Act restricts corporate white-collar crimes like corporate fraud, oppression, and poor management. Additionally, it speeds up trials for the general public's benefit.
4.	Indian Penal Code, 1860	This Act restricts corporate white-collar crimes like corporate fraud, oppression, and poor management. Additionally, it speeds up trials for the general public's benefit.

5.	Information Technologies Act, 2002	Because Sections 43 and 44 of the IT Act provide information on a variety of offenses and their penalties, such as illegal data extraction, hacking, piracy, fraudulent viruses, malicious websites, malicious computer damage, unauthorized and illegal access, etc., the Act has a far greater role in monitoring cybercrimes and computer-related crimes than white-collar crimes.
5.	Prevention of Money Laundering Act, 2002	India is at the top of the list and uses Black Money extensively. All actions related to money laundering and black money are made illegal under this statute. The purpose of this act is to outlaw black money in India and replace it with legal tender. The rate at which socioeconomic crimes rise is accelerated by money laundering.
6.	The Negotiable Instrument Act, 1881	Sections 38 and 141 are more important, and this Act aims to punish a number of white-collar crimes involving check bouncing and dishonest motives while also making business easier, which is a wonderful way to curb white-collar crimes.
7.	Securities and Exchange Board of India Act, 1992	The numerous investors and stakeholders benefit from this. One of the main causes of the increase in white-collar crimes is insider trading. The well-known Hindustan Lever case is the first white-collar crime case in which SEBI has fined defaulters.
8.	The Imports and Exports (control) Act, 1950	This Act controls unfair import and export practices, hence governing white-collar offenses related to commerce.
9.	CARO Act, 2016	This Act specifies what an auditor must reveal in order to improve fairness and openness.
10.	The Industrial (Development and Regulation) Act, 1951	The high rates of white-collar crime that the Indian industrial sector is facing can be reduced with the help of the Act.
11.	SEBI (LODR) Regulations, 2015	This permits stock exchange disclosure and the initiation of audit reports for publicly traded corporations. Furthermore, there are other laws that offer a way to regulate the different types of fraudulent criminal activity.
12.	Reserve Bank of India Guidelines	This necessitates the KYC standards, which mandate that banks and other financial organizations maintain clear records of every transaction.

FINDINGS & SUGGESTIONS

- The two primary objectives of punishment are to deter similar-minded individuals and to stop the accused from performing the same offense in the future. For example, hundreds of people died after drinking alcohol made in the country that was tainted with dangerous ingredients. As a result, harsh penalties are also required for white-collar offenses.
- Socioeconomic offenses must be subject to criminal penalties.
- If there is no demand, the penalty may be enhanced to life in prison or the death penalty.

- Every step of the way, the media and other audio-visual platforms should be used to increase public awareness of these atrocities.
- More severe regularity regulations and penalties for white-collar crimes are necessary for effective enforcement and a powerful message of deterrent.
- More strict regularity rules and penalties for white-collar crimes are necessary for effective enforcement and a strong message of deterrent.
- It would be appropriate to set up special tribunals that resemble fast-track courts and have the power to sentence white-collar criminals to life in prison or a maximum of ten years.
- It is recommended that white-collar crimes be included in the IPC as a separate chapter to ensure that judges do not ignore them or lessen their penalties because of their high social standing.
- Long-term, significant change will still require public awareness.

CONCLUSION

Following a comprehensive analysis of the various legal aspects related to preventing white-collar crime, an attempt has been made to provide a summary of the subject and some specific suggestions to increase the effectiveness of this area of the law in addressing the threat of white-collar crime. Despite the fact that the term "white-collar crime" is not defined in the Indian Penal Code, it was discovered that several of the offenses mentioned there have a close resemblance to white-collar crimes.

Numerous laws, including the Prevention of Food Adulteration Act of 1954, the Essential Commodities Act of 1955, the Narcotic Drugs and Psychotropic Substances Act of 1985, the Prevention of Corruption Act of 1988, the Transplantation of Human Organs Act of 1989, and the Foreign Exchange Management Act of 1994, exist to address white-collar crime, alongside the Indian Penal Code of 1860. An examination of various legal provisions reveals that nearly every aspect of public life is governed by a multitude of laws. A review of some key legislation suggests that low levels of compliance stem from a general lack of motivation among the public and, notably, among legislators and bureaucrats. To effectively address the challenges posed by white-collar crime, it is essential to amend the existing laws. The legislative oversees keeping white-collar crime in India under control, with the courts serving simply as an enabler, aside from the Indian Penal Code. The Indian judiciary, an essential component of democracy, has observed the surge in these types of offenses with great concern. Public interest litigation has shown to be a strong and useful tool in the hands of the

courts, enabling them to uncover various schemes and corruption in public life and bring criminal charges against those responsible.

The Supreme Court determined in the case of State of Gujarat v. Mohanlal Jitamalji Porwal and Others that there has been an alarming rise in white-collar crime across the country, negatively impacting the nation's economic framework. The Indian judiciary has also assessed the different aspects of economic offenses. Therefore, while the legislative branch is primarily tasked with managing, regulating, and controlling white-collar crimes in India, it is encouraging to note that the judiciary plays a crucial role by effectively interpreting various legal provisions to achieve its objectives and protect our society and economy from the detrimental effects of white-collar crime. The legislature is responsible for everything except for what is included in the Indian Penal Code.

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