

WHITE COLLAR CRIME AND ITS EVOLVING JURISPRUDENCE IN INDIA: A CRITICAL ANALYSIS

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ABSTRACT

White collar crimes in India have surged in frequency and complexity, exposing significant gaps in the nation's regulatory and enforcement frameworks. This paper explores the evolution of white collar crime jurisprudence in India, the legal and institutional challenges in addressing these crimes, and the role of technology and whistleblowers in both perpetuating and combating corporate and bureaucratic misconduct. Drawing on legislative developments and landmark cases, the study proposes recommendations to strengthen accountability and the rule of law in the white collar crime domain.

Keywords:

White collar crime, corporate fraud, legal framework, jurisprudence, whistleblowers, India.

Introduction

White collar crime, a term popularized by sociologist Edwin Sutherland in 1939, refers to crimes committed by individuals of high social status in the course of their occupation. These non-violent crimes typically involve deceit, concealment, or violation of trust for financial gain. In India, such crimes have become increasingly sophisticated and widespread, encompassing corporate fraud, tax evasion, insider trading, embezzlement, and money laundering.

The rapid expansion of the Indian economy, globalization, and digitization have inadvertently created opportunities for economic offenses. The adverse impact of these crimes is not only financial but also erodes public trust in institutions. This paper seeks to analyze the shifting landscape of white collar crimes in India, the legal instruments used to combat them, the challenges therein, and

the reforms needed to ensure justice and accountability.

Theoretical Framework and Methodology

This research adopts a doctrinal legal analysis approach and is grounded in qualitative methodology. The primary materials include Indian statutes such as the Companies Act, Prevention of Corruption Act, and the Fugitive Economic Offenders Act, as well as judicial pronouncements from the Supreme Court and various High Courts. Supplementary data from Law Commission reports, academic articles, and international legal instruments help provide a holistic view.

The theoretical basis includes Sutherland's sociological theory, which challenges the notion that crime is restricted to the lower classes by demonstrating that individuals in privileged positions can engage in illicit activities. Opportunity theory helps in understanding the circumstances under which white collar crimes

occur, particularly the availability of opportunity, rationalization, and the perceived low risk of getting caught. Routine activity theory, on the other hand, postulates that such crimes flourish in the absence of effective guardianship, which in this case includes regulatory and law enforcement bodies.

Comparative legal insights are drawn from the Sarbanes-Oxley Act in the U.S., which was enacted to restore investor confidence after corporate scandals, and the UK's Bribery Act, which is noted for its strict compliance norms and global jurisdiction. These frameworks provide a valuable reference for evaluating and reforming India's legal apparatus.

Challenges in Tackling White Collar Crime in India

India faces numerous challenges in its fight against white collar crime. Firstly, the legal landscape lacks a clear and comprehensive definition of what constitutes white collar crime. The term is not uniformly codified, resulting in confusion and inefficiency in the application of laws. Secondly, there is considerable jurisdictional overlap among various investigative agencies such as the Central Bureau of Investigation (CBI), the Enforcement Directorate (ED), the Serious Fraud Investigation Office (SFIO), and the Securities and Exchange Board of India (SEBI). These overlaps often lead to inter-agency conflicts, diluting the effectiveness of investigations.

Another pressing issue is the low conviction rate in economic offenses. This stems from procedural delays, lack of prosecutorial rigor, and the difficulty of collecting complex financial evidence. In addition, many law enforcement officials lack specialized training in financial forensics and cybercrime, which are essential in dealing with modern white collar crimes. Political interference and corruption within investigative bodies further impede the impartial execution of justice. Moreover, the judicial process itself is cumbersome and slow, with white collar cases dragging on for years, thereby diminishing the deterrence effect.

Public apathy also contributes to the ineffectiveness of the legal response. Unlike violent crimes, white collar crimes do not evoke immediate public outrage, making it easier for perpetrators to escape with minimal societal backlash.

Recent Reforms and Policy Measures

To address these growing challenges, India has undertaken several legislative reforms. The Companies Act, 2013 introduced comprehensive provisions to improve corporate governance and combat corporate fraud. These include mandatory rotation of auditors, establishment of audit committees, and severe penalties for fraudulent activities.

The Fugitive Economic Offenders Act, 2018 marks a significant milestone in India's legal landscape. It provides for the confiscation of properties of individuals who flee the country to avoid prosecution in cases involving economic offenses of INR 100 crore or more. The Act was a response to high-profile cases like those involving Vijay Mallya and Nirav Modi, and aims to prevent economic offenders from evading justice.

Another critical reform is the Prevention of Corruption (Amendment) Act, 2018, which enhances the definition of criminal misconduct and provides clearer guidelines for the prosecution of public officials. It introduces the concept of "commercial organizations" being held liable for bribery and mandates adequate compliance mechanisms.

The Insolvency and Bankruptcy Code, 2016, though primarily aimed at resolving insolvency, has also been instrumental in identifying and curbing financial mismanagement and asset siphoning by company promoters. These legislative measures collectively represent a paradigm shift in India's approach to economic offenses.

Technology and White Collar Crime

Technology plays a paradoxical role in the realm of white collar crime. On one hand, it has enabled more sophisticated and hard-to-

detect crimes such as phishing, online scams, digital payment frauds, cryptocurrency-based laundering, and unauthorized access to sensitive data. As financial systems become increasingly digital, the scope for exploitation by technologically savvy criminals has expanded.

On the other hand, technology offers powerful tools to combat these crimes. Artificial intelligence and machine learning are now being employed for forensic audits and anomaly detection in financial transactions. Blockchain technology, with its immutable ledger, is being considered for enhancing transparency in public procurement and asset registration. Big data analytics help identify suspicious patterns and behaviors that might otherwise go unnoticed. Moreover, digital platforms for public grievance redressal and RTI applications contribute to building a transparent and accountable governance system.

However, these technological solutions require significant investment and skilled manpower. Law enforcement agencies and judicial officers must be regularly trained to understand and utilize these tools effectively. Without such preparedness, technology may continue to outpace the capacity of institutions meant to control its misuse.

Role of Whistleblowers

Whistleblowers have been instrumental in exposing some of the biggest frauds in Indian corporate history, such as the Satyam scandal and the Punjab National Bank fraud. Despite their importance, whistleblowers in India operate in a perilous environment. The Whistle Blowers Protection Act, 2014 was enacted to provide safeguards to individuals who report corruption or misuse of power. However, the implementation of this Act has been far from satisfactory.

The Act still lacks comprehensive rules for enforcement. Whistleblowers often suffer from lack of anonymity and face severe reprisals, including job loss, harassment, and even

physical threats. The legislation does not provide any incentives or robust protective mechanisms, which discourages people from coming forward.

Internationally, models like the U.S. Securities and Exchange Commission's Whistleblower Program offer monetary rewards and strict anonymity protocols, which have proven effective. India must draw lessons from these practices to create a more secure and encouraging environment for whistleblowers in both the public and private sectors.

Conclusion and Way Forward

White collar crime continues to be a persistent and evolving threat to India's legal and economic ecosystem. Although recent reforms have laid a foundation for improvement, much remains to be done. Statutory clarity is essential; the Indian legal system needs a comprehensive and harmonized definition of white collar crime that allows for streamlined investigation and prosecution.

Institutional capacity must be improved through the creation of dedicated economic offenses wings in investigative agencies, equipped with modern forensic, financial, and technological tools. These institutions must operate autonomously, free from political and corporate interference, in order to uphold the integrity of their mandate.

The judiciary must be equipped with fast-track mechanisms for economic offenses, ensuring that justice is not only delivered but seen to be delivered within a reasonable timeframe. Judicial officers and prosecutors should be sensitized and trained in understanding the complexities of financial crimes.

On a societal level, public awareness campaigns must be initiated to make citizens understand the widespread implications of white collar crimes. Such offenses deplete public resources, distort markets, and weaken institutional credibility. Building a public consensus for zero tolerance is key to sustained enforcement.

In the corporate sector, mandatory ethics training, board-level vigilance committees, and third-party audits can play a major role in early detection and prevention of fraud. Corporate governance norms should move from mere compliance to a culture of accountability and integrity.

Technology, if used wisely, can revolutionize the detection and prosecution of white collar crimes. Integrating AI into compliance and monitoring systems, using blockchain to secure financial transactions, and enabling real-time surveillance of financial networks are vital steps forward. However, this requires sustained investment and strategic vision at the policy level.

Lastly, empowering whistleblowers is non-negotiable. Robust legal frameworks, anonymity assurances, protection from retaliation, and even financial incentives will ensure that individuals who choose to speak up are protected and heard. The fight against white collar crime cannot succeed without these internal voices of conscience.

India stands at a critical juncture. As the economy expands and becomes more integrated with the global financial system, the risks and impacts of white collar crimes also escalate. Only through a combination of legal reform, institutional integrity, technological innovation, and civic engagement can the country hope to effectively combat and eventually curb this insidious form of criminality.

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