

# Legal 500

## Country Comparative Guides 2025

**India**

**White Collar Crime**

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This country-specific Q&A provides an overview of white collar crime laws and regulations applicable in India.

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# India: White Collar Crime

## 1. What are the key financial crime offences applicable to companies and their directors and officers? (E.g. Fraud, money laundering, false accounting, tax evasion, market abuse, corruption, sanctions.) Please explain the governing laws or regulations.

The key financial crime offences applicable to companies, its directors<sup>1</sup> and other company personnel who are considered liable<sup>2</sup>, and the respective governing laws and regulations in India are set out below<sup>3</sup>:

- i. Fraud: Companies Act, 2013 ("**Companies Act**")
- ii. Money-laundering: Prevention of Money Laundering Act, 2002 ("**PMLA**")
- iii. Bribery and corruption: Prevention of Corruption Act, 1988 ("**PCA**")
- iv. Direct and Indirect Tax evasion and income-tax fraud: Income Tax Act, 1961 ("**IT Act**"), Central Goods and Services Act, 2017 ("**GST Act**"), Customs Act, 1962 and related tax laws, (collectively, "**Tax laws**")
- v. Falsification of accounts, criminal misappropriation of property and criminal breach of trust: Bharatiya Nyaya Sanhita, 2023 ("**BNS**") (previously governed by Indian Penal Code, 1860)
- vi. Insider trading: Securities and Exchange Board of India ("**SEBI**") (Prevention of Insider Trading) Regulations, 2015 ("**PIT Regulations**")
- vii. Fraudulent and unfair practices of market manipulation by influencing price of securities: SEBI (Prohibition of Fraudulent and Unfair Trading Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**"), (these practices and insider trading are hereinafter collectively referred to as "**SEBI Offences**")
- viii. Anti-competitive practices including bid rigging and cartelisation: Competition Act, 2002 ("**Competition Act**")
- ix. Unauthorised or unreported foreign exchange transactions: Foreign Exchange Management Act, 1999 ("**FEMA**") and rules thereunder, (hereinafter referred to as "**FEMA Offences**").
- x. Laws relating to investment scams – these are covered under multiple laws, including the Companies Act, certain SEBI regulations, BNS and certain state-specific enactments.

Footnote(s):

<sup>1</sup> This depends on each law in question – not all directors are liable as a default matter.

<sup>2</sup> In addition to directors, other members of key management, like the chief financial officer and company secretary, may also be liable in certain instances.

<sup>3</sup> For the purposes of this publication, we have covered Indian federal statutes and legislations. Every Indian state may have its own financial crime legislations, each with their own independent framework. Additionally, this relates to key financial crime offences – there are other statutes involving financial crimes (e.g. bankruptcy), which can be relevant for companies and their directors and officers.

## 2. Can corporates be held criminally liable? If yes, how is this determined/attributed?

Yes, corporates can be held criminally liable in India, in so far as it relates to imposing penalties and fines. The Supreme Court (being the apex court), by adopting the doctrine of attribution and imputation, has held that the criminal intent of the 'alter ego' of the company / body corporate i.e. person or group of persons that guide the business of the company, is imputable to the corporation itself.<sup>4</sup>

Footnote(s):

<sup>4</sup> Iridium India Telecom Limited v. Motorola Incorporated and others, (2011) 1 SCC 74

## 3. What are the commonly prosecuted offences personally applicable to company directors and officers?

Company directors and officers are sought to be commonly prosecuted and made personally liable for offences such as bribery and corruption, fraud, money-laundering, SEBI Offences, Tax laws and FEMA Offences – the personal liability sought to be imposed is (depending on the law involved, and what it prescribes) of two types: (i) the statutory penalty prescribed for breach by the company, even if the concerned individual(s) did not have a role in committing the offence; and (ii) where such offence was undertaken with the concerned

individuals' consent, connivance, knowledge (or attributable to such person's negligence).

In this regard, the Companies Act has several provisions that attach vicarious criminal liability on specified company directors and officers (as an officer in default, or otherwise) for several offences, including those relating to financial statements not giving a true and fair view and failure to distribute dividend declared. Such vicarious liability provisions are also found in the PCA and PMLA when offences have occurred with the consent or connivance of relevant officers of the company. There are other laws where vicarious liability is imposed on company directors and officers, like for dishonour of cheques issued by the company due to insufficiency of funds under the Negotiable Instruments Act, 1881 and false statements/representations to avoid payments under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

#### 4. Who are the lead prosecuting authorities which investigate and prosecute financial crime and what are their responsibilities?

There are various authorities functioning at central government and state government level which investigate and prosecute financial crimes. Some of the key authorities and their primary responsibilities are set out below:

- i. Federal agencies:
  - a. The Central Bureau of Investigation ("**CBI**") is responsible for investigating various complex crimes including offences under the PCA, financial scams and serious economic
  - b. The Enforcement Directorate ("**ED**") is responsible for investigating offences under FEMA and PMLA.
  - c. The Serious Fraud Investigation Office ("**SFIO**") is responsible for investigating offences under the Companies Act; the Ministry of Corporate Affairs ("**MCA**") also has supervisory and investigative powers over companies and limited liability partnerships.
  - d. The Income Tax Department ("**IT Authority**") is responsible for investigating cases of tax evasion and income tax. Further, the Directorate of Revenue Intelligence ("**DRI**") and the Directorate General of Goods and Services Tax Intelligence ("**DGGI**") are tasked with detecting and combating evasion of Customs duty and other forms of taxes such as Goods and Services Tax ("**GST**"), excise duty and service tax.
  - e. The Securities Exchange Board of India ("**SEBI**") is responsible for investigating offences relating to

securities market, involving listed entities and intermediaries in the securities market (SEBI Offences as referred above).

- f. The Reserve Bank of India ("**RBI**") is responsible for prosecuting violations under FEMA (FEMA Offences as referred above).
- g. The Competition Commission of India ("**CCI**") is responsible for investigating anti-competitive practices.
- ii. State agencies:
  - a. The police departments of each state are responsible for registering complaints and investigating crimes under the BNS.
  - b. A special branch of the police has been established, known as the Economic Offence Wing<sup>5</sup> ("**EOW**") which deals with economic offences over a certain monetary value threshold including banking crimes and corporate frauds.

#### Footnote(s):

<sup>5</sup> List of Nodal Agencies (Cyber Crime Cell/Economic Offences Wing) for Filing Complaint (rbi.org.in)

#### 5. Which courts hear cases of financial crime? Are they determined by tribunals, judges or juries?

Jurisdiction to try cases of financial crime has been conferred on different judicial and quasi-judicial bodies under various legislations – there is no single court or tribunal to adjudicate generally on cases of financial crime. Various legislations such as the PMLA, PCA, FEMA, Companies Act, among others have established distinct special courts to hear offences punishable under these laws. Broadly, cases involving criminal prosecution will involve courts, and cases involving civil/monetary liability could involve tribunal/administrative authorities in addition to courts.

Jury trials were abolished in India during the late 1900s.

#### 6. How do the authorities initiate an investigation? (E.g. Are raids common, are there compulsory document production or evidence taking powers?)

Investigation is initiated by the authorities on the following grounds: (i) on the basis of a complaint registered with them; (ii) by taking *suo-moto* cognisance of offences on the basis of preliminary information available with them (including, e.g., a media publication); or (iii) at the direction of a court, tribunal, adjudicating

authority or a government body.

While powers provided vary across authorities (in accordance with the respective governing legislation(s)), as a general matter, most authorities have wide powers which include raids, summoning individuals, compelling production of documents, taking evidence (on oath) and other measures (which in some instances also include attachment and confiscation of property and power to arrest). Courts are generally reluctant to interfere in the investigations carried out by authorities.

## 7. What powers do the authorities have to conduct interviews?

Authorities in general have wide powers to summon individuals and conduct in-person interviews, take statements and seek production of documents and records to corroborate the statements.

## 8. What rights do interviewees have regarding the interview process? (E.g. Is there a right to be represented by a lawyer at an interview? Is there an absolute or qualified right to silence? Is there a right to pre-interview disclosure? Are interviews recorded or transcribed?)

The interviewees do have certain rights during the interview process.

- i. They have the right to remain. However, silence may lead to criminal prosecution by authorities (in addition to coercive steps like seeking judicial custody for interrogation for non-cooperation). In this context, the Supreme Court has observed<sup>6</sup> that the interviewees have to take a calculated risk while exercising the right to remain silent since the prospect of prosecution for remaining silent is present.
- ii. The interviewees have the right to consult and be represented by a lawyer of their choice. However, such right does not subsist throughout the interview process. The lawyer may be present and witness the interview process (outside the interview room) but cannot overhear or interfere in the entire interview process.
- iii. The interviewee ought to be informed of the grounds on which they are being
- iv. The interviews are generally reduced in writing and the interviewees are given an opportunity to go through the statements made by them. They cannot be made to sign a statement that they do not agree with.
- v. Further, as per the Bharatiya Sakshya Adhiniyam, 2023 ("**BSA**", a law governing evidence in legal

proceedings), any confession made by an interviewee to a police officer cannot be proven against them in a court of law – unless such confession is made by the interviewee in the immediate presence of a magistrate.

### Footnote(s):

<sup>6</sup> Nandini Satpathy v. Dani P.L., AIR 1978 SC 1025.

## 9. Do some or all the laws or regulations governing financial crime have extraterritorial effect so as to catch conduct of nationals or companies operating overseas?

Yes, there are several laws like PCA, FEMA, PMLA, BNS and IT Act which govern financial crimes and have limited extra-territorial jurisdiction/operation to catch conduct of nationals or companies operating overseas.

## 10. Do the authorities commonly cooperate with foreign authorities? If so, under what arrangements?

Yes, authorities in India do commonly cooperate with foreign authorities. This is achieved *inter alia* by way of enabling provisions, usually under mutual legal assistance treaties, extradition treaties or under multilateral conventions/agreements. Requests for information/documents are generally made by way of Letters Rogatory (letter of request) under the relevant laws.

## 11. What are the rules regarding legal professional privilege? What, if any, material is protected from production or seizure by financial crime authorities?

BSA recognises legal professional privilege and provides protection from disclosure to any communication between an advocate and their client. However, such protection will not be available where;

- (i) the client has consented to waiver of privilege;
- (ii) the advocate obtains communication from the client which is in furtherance of an illegal purpose; or
- (iii) any fact comes to the knowledge of the advocate, since the commencement of his service as advocate for the client, which shows that any crime or fraud has been committed since the commencement of his service.

While there is no express bar on financial crime authorities from seizing any material that is protected by legal professional privilege, the court may be petitioned (at trial stage) to exclude such privileged material from evidence.

## 12. What rights do companies and individuals have in relation to privacy or data protection in the context of a financial crime investigation?

Rights of companies and individuals in relation to privacy and data protection in context of financial crime investigations are fairly limited. While the right to privacy has been recognised as being part of one of the fundamental rights by the Supreme Court, this right is not absolute and is subject to certain principles.<sup>7</sup> Laws governing data privacy/information technology also have exceptions for enquiries from investigative agencies.

### Footnote(s):

<sup>7</sup> Justice K.S. Puttaswamy & Anr. vs. Union of India & Ors., AIR 2017 SC 4161 – wherein, the Supreme Court has opined that limiting the State's discretion to infringe right of privacy can be met by the test suggested on Principle of proportionality and legitimacy, that the action: (i) must be sanctioned by law; (ii) must be necessary in a democratic society for a legitimate aim; (iii) extent must be proportionate to need for interference; and (iv) there must be procedural guarantees against abuse of such interference.

## 13. Is there a doctrine of successor criminal liability? For instance in mergers and acquisitions?

The concept of successor criminal liability has not been accepted by the Supreme Court, which has held<sup>8</sup> that criminal liability cannot be transferred *ipso facto* (which would include instance of upon merger or amalgamation), except when it is in the nature of a penalty proceeding.

### Footnote(s):

<sup>8</sup> Religare Finvest Limited v. State of NCT of Delhi & Ors., (2024) 1 SCC 797.

## 14. What factors must prosecuting authorities consider when deciding whether to charge?

While a certain belief that an offence has been committed is necessary for a prosecuting authority on deciding

whether to charge, the specific factors depend on the law and authority in question. As an example, under the Bhartiya Nagarik Suraksha Sanhita, 2023 ("BNSS"), if the investigative agency is of the view that sufficient evidence and reasonable grounds to produce the accused before a judicial officer are not available, then such person shall be released from custody. On the other hand, if the opinion is formed that there is sufficient evidence and reasonable grounds for producing the accused before a judicial officer, the same is to be done. Such opinion has to be formed solely by the investigative agencies and the judicial officer has no role to play.<sup>9</sup>

### Footnote(s):

<sup>9</sup> Union of India v. Prakash P. Hinduja, (2003) 6 SCC 195.

## 15. What is the evidential standard required to secure conviction?

In criminal investigations in India, the burden of proof rests upon the prosecution, which implies that the prosecution is obligated to prove every charge against the accused. The standard of proof required to secure a conviction in a criminal proceeding in India is the standard of 'beyond reasonable doubt', i.e., the prosecution must prove facts such that there no doubts can be raised about the existence of those facts.<sup>10</sup> 'Reasonable Doubt' implies a fair doubt based on reason and common sense and does not include speculations or exaggerated doubts.<sup>11</sup> This evidentiary standard of 'beyond reasonable doubt' has been consistently upheld by the Supreme Court in various judicial decisions.

### Footnote(s):

<sup>10</sup> Dahyabhai Chhaganbhai Thakkar v. State of Gujarat, AIR 1964 SC 1563.

<sup>11</sup> State of M.P. v. Dharkole, (2004) 13 SCC 308.

## 16. Is there a statute of limitations for criminal matters? If so, are there any exceptions?

Yes, in certain cases – but not generally. The BNSS lays down the limitation period for taking cognizance of certain offences, which varies depending on whether the offence is punishable with fine or imprisonment (and if imprisonment, quantum thereof). Offences punishable with imprisonment of more than 3 years do not have any limitation period.

Exceptions (taking cognizance of an offence after the



limitation period) may be made by the courts in cases where the delay is warranted and extending the period of limitation would be in the interest of justice.

**17. Are there any mechanisms commonly used to resolve financial crime issues falling short of a prosecution? (E.g. Deferred prosecution agreements, non-prosecution agreements, civil recovery orders, etc.) If yes, what factors are relevant and what approvals are required by the court?**

Agreements for deferred prosecution or non-prosecution are not recognised under Indian law. However, certain Indian laws do allow for compounding or settlement of certain specified offences, provided the offence is prescribed as compoundable or as capable of being settled thereunder, and an application for compounding or settlement is being made by appropriate party before the relevant authority as prescribed.

**18. Is there a mechanism for plea bargaining?**

Yes. The BNSS provides for a mechanism for plea bargaining in respect of offences for which the maximum punishment prescribed does not exceed 7 years. Plea bargaining is not allowed in cases of offence which (i) affect the socio-economic condition of the country (as notified by the government) or (ii) have been committed against a woman or a child.

**19. Is there any obligation to disclose discovered misconduct to prosecuting authorities, or any benefit to making a voluntary disclosure? Is there an established route or official guidance for making such disclosures?**

Certain categories of offences are mandatorily reportable to prosecuting authorities – as an example, the BNSS specifies certain offences that whose commission (or intention to commit) is required to be disclosed. Another example is auditors having reporting obligations to the authorities if they uncover corporate fraud in certain cases.

In general, there is no benefit to making a voluntary disclosure of an offence, except where the statute provides the same. As an example, the PCA provides that any person who is compelled to directly or indirectly pay a bribe may be exempt from liability if such person reports the matter to the relevant authorities within a

period of 7 days from date of such act of bribery.

In certain cases, where the law requires disclosure to be made, it specifies the manner and form of such disclosure – in other cases, a written disclosure to the relevant authority (by email, or by delivery of written disclosure to the office of the relevant authority) ought to suffice.

**20. What rules or guidelines determine sentencing? Are there any leniency or discount policies? If so, how are these applied?**

Judicial bodies in India exercise discretion in awarding a sentence within the statutory limits based on an overall assessment of the facts and circumstances. The objective is essentially imposition of an appropriate, reasonable, and just punishment which is proportionate to the nature and gravity of the offence or act committed. Sentencing guidelines include due consideration of aggravating and mitigating circumstances, availability of admissible evidence, criminal antecedents of the accused, and other relevant pieces of information for determination of a punishment.

Certain laws do provide for leniency or discount policies. The Competition Act 2002 offers leniency to any person involved in cartelisation that provides full, true and vital information regarding the cartel's activities. A similar provision is found under the BNSS wherein the court may tender a pardon to a person (directly or indirectly concerned in or privy to the offence) if such person makes a full and true disclosure relating to the commission of the criminal offence. Further, the mechanism of compounding and settlement in cases of offences, as an alternative to prosecution, has already been discussed in response to Q17 above.

**21. How are compliance procedures evaluated by the prosecuting authorities and how can businesses best protect themselves?**

Under the PCA, commercial organisations (in case of an offence of bribery by persons associated with it) have a defence that they had adequate procedures in place to prevent persons associated with the company from undertaking such offence (although the guidelines for what would be adequate procedures are not yet notified).

We believe that having robust internal compliance procedures in place can play an important role in putting forth the position of the organisation – and (coupled with requisite cooperation in the investigation process) may

also assist in mitigating the risk of prosecution. Taking steps to prevent commission of offences (through strong systems and processes, and consistent training) is the first and main line of defence for businesses – and should an issue be uncovered and be under investigation, cooperation with the investigating authorities (while reserving all legal rights and remedies), while a tough balancing act, remains the best way for businesses to protect themselves.

## 22. What penalties do the courts typically impose on individuals and corporates in relation to the key offences listed at Q1?

The key offences listed at Q1 attract civil and criminal liability for companies and individuals, which are guided by the statutory thresholds prescribed under applicable laws. The range of these penalties are set out below – the actual penalty imposed would depend on the specific facts of the case and law/legal principles involved (for companies, it would only be the fine):

- i. Offence of 'fraud' under the Companies Act:
  - a. Depending on quantum of fraud, imprisonment ranging from 6 months to 10 years and fine involving amount of fraud or three times of said amount.
- ii. Offence of Money Laundering under PMLA:
  - a. Depending on nature of offence, imprisonment ranging from 6 months to 10 years and
  - b. In certain instances, offence can be attributed to the persons in-charge of the
- iii. Offence of bribery under PCA:
  - a. Imprisonment up to 10 years, or fine or both – for the individuals who have engaged in the offence.
  - b. Person-in charge of Company (being director, manager, secretary or other officer): imprisonment between 3 years to 7 years and fine, provided it is proved that offence was committed with consent / connivance of such person in-charge.
- iv. Offences under Tax laws:
  - a. Depending on nature of offence, imprisonment (which may be rigorous) up to 7 years with or without fine; or penalty (if imposed by relevant authority under Tax laws).
  - b. In certain instances, offence can be attributed to the persons in-charge of the organisation – with liability of imprisonment up to 7 years and fine.
- v. Offences under BNS:
  - a. Depending on nature of offence, imprisonment (which may be rigorous) up to 7 years or fine or both.

- vi. SEBI Offences:
  - a. Depending on nature of offence, fine (extending up to INR 250 million) with or without imprisonment up to 10 years; or penalty up to INR 250 million.
  - b. Person-in charge of the company (being director, manager, secretary or other officer – deemed guilty, unless contrary proved): imprisonment, fine and penalty limited same as (a) above.
- vii. Offences under Competition Act:
  - a. Company and persons-in charge: depending on nature of offence, Penalty as imposed by the CCI, which may extent to ten percent of income of the organisation each year of continuing contravention.
- viii. FEMA Offences:
  - a. Depending on nature of offence, imprisonment up to 5 years and fine or penalty up to three times the sum involved in the offence (where quantifiable) or up to INR 2 lakhs, and further penalty extending up to INR 5,000 for every day (in case of continuing offence).
  - b. Person-in charge of the company (being director, manager, secretary or other officer – deemed guilty, unless contrary proved): imprisonment, fine and penalty limited same as (a) above.

## 23. What rights of appeal are there?

Each of the laws in question provides for an appellate mechanism – broadly, the appeal should be filed in the prescribed manner within the specified time period. The Supreme Court is the highest court of appeal for civil and criminal cases, and all appellate mechanisms ultimately lie to the Supreme Court. In addition to the above right of appeal, superior courts also have a discretionary right to invoke their revisional jurisdiction against the final orders of inferior courts.

## 24. How active are the authorities in tackling financial crime?

In the recent past, investigative agencies have been quite active in investigating and prosecuting cases of financial crimes including corporate misconduct, financial irregularities and economic offences. Various high-profile scams have been uncovered and prosecuted over the last decade and multiple arrests have been made in relation to corruption, corporate fraud and money laundering.

## 25. In the last 5 years, have you seen any trends

## or focus on particular types of offences, sectors and/or industries?

As regards nature of offences, the past few years have seen a fairly large rise of cyber crimes such as phishing, ransomware attacks, identity theft, investment fraud and loan fraud, among others – these often transgress borders, and are fairly sophisticated. As regards enforcement – over the past few years, enforcement action against financial offences like corruption, corporate fraud and money laundering has been on the rise across industries and sectors. Additionally, investigative agencies have become a lot more sophisticated while dealing with complex financial crimes – not only are they using cutting-edge investigative tools but are also engaging private forensic auditors or investigators where required. An additional trend noticed is investigative agencies seeking to prosecute (in the last few years) persons other than management, like independent directors and statutory auditors, in certain cases involving corporate fraud (and related offences). There has also been enhanced coordination between various investigative agencies and exchange of knowledge as well – there is also greater coordination between investigating agencies in India and their counterparts outside India for cross-border offences.

## 26. Have there been any landmark or notable cases, investigations or developments in the past year?

Yes, there have been several developments in the past year that continue to shape framework for strengthening prosecution for financial crimes/frauds in India. A summary of certain key developments is set out below:

- i. While interpreting the definition of 'public servant' under the PCA, the Supreme Court of India in the case of *Aman Bhatia v. State (GNCT of Delhi)*<sup>12</sup> has held that stamp vendors are also covered under the definition of 'public servant' by virtue of them performing an important public duty and receiving remuneration from the government for discharge of such duty. In this judgment, the Supreme Court of India has *inter alia* observed that any person discharging a public duty (where 'public duty' is defined as discharge of any duty in which the state, public or community at large has interest), and being remunerated by the government for performance of such public duty, or holding office by virtue of which he is authorized or required to perform such public duty, falls under the definition of 'public servant' and thereby is covered under the ambit of PCA.
- ii. Separately, the Supreme Court in the case of *Sanjay Dutt & Ors. v. State of Haryana & Anr*<sup>13</sup> recognized that the law distinguishes between a company's liability for its employees' acts and the personal liability of its directors. Directors are not automatically vicariously liable for company's offences; liability arises only if the company is first found liable and the director's own actions are directly connected to the offence. Mere authorization or supervisory roles do not suffice and there must be evidence of personal involvement beyond routine duties. Vicarious liability for directors can only be imposed if specifically provided by statute and supported by substantiated allegations of their particular role in the offence.
- iii. In another development, the ED by *Technical Circular* 03 of 2025 prohibited the issuance of summons to advocates without prior approval from the Director of ED. This further bolsters the protection accorded to legal professionals under Section 132 of the BSA, thereby extending the statutory principle of legal privilege to investigative procedures.
- iv. On April 25, 2025 the Ministry of Finance released a notification to include Indian Cyber Crime Coordination Centre under Section 66 of PMLA, enabling it to receive information from ED and other law enforcement agencies, so as to strengthen the country's fight against cyber-enabled financial crimes.<sup>14</sup>
- v. On August 28, 2025, the Delhi High Court in the case of *Nita Puri v. Union of India*<sup>15</sup> quashed an order of Central Government directing an SFIO investigation on a public company in India for the reason that such order was passed based on two audit reports that did not contain any findings on fraudulent transactions. The Delhi High Court affirmed certain requirements for the Central Government (under the Companies Act) to order an SFIO investigation in matters involving public interest. It emphasized that such orders should only be passed where the Central Government is conclusively able to demonstrate specific circumstances that warrant such investigation. In this case, the Delhi High Court held that the Central Government was not able to objectively establish the existence of relevant circumstances that would affect public interest. The Delhi High Court recognised that while there can be subjectivity to the extent whether any circumstances affect public interest, for ordering an SFIO investigation, the Central Government should be able to set forth a well-established rationale for the order which should be included in the order.

### Footnote(s):

<sup>12</sup> *Aman Bhatia v. State (GNCT of Delhi)* 2025 SCC OnLine



SC 1013

<sup>13</sup> Sanjay Dutt & Ors. v. State of Haryana & Anr, 2025 SCC OnLine SC 32.

<sup>14</sup> Department of Revenue, Ministry of Finance, Notification No. G.S.R. 381(E).

<sup>15</sup> Nita Puri v. Union of India, Writ Petition (C) 261 of 2025.

**27. Are there any pending or proposed changes to the legal, regulatory and/or enforcement framework?**

In 2022, the Supreme Court of India in the case of *Vijay Madanlal Choudhary and Ors. vs Union of India (UOI) and Ors.*<sup>16</sup> upheld the constitutional validity of certain provisions of the PMLA which *inter alia* granted wide powers of investigation and arrest to the ED. As on August 20, 2025, a constitutional bench of the Supreme Court of India is set to hear a review petition against the decision of the said court in the aforesaid judgement – this review petition is currently pending maintainability hearing, next date of hearing on the same before the Supreme Court of India is scheduled from September 23<sup>rd</sup> to 25<sup>th</sup>, 2025. If the maintainability of the review petition is upheld several provisions of PMLA will come under

scrutiny.

Footnote(s):

<sup>16</sup> Vijay Madanlal Choudhary and Ors. vs. Union of India (UOI) and Ors. (27.07.2022 – SC) 2022 INSC 757

**28. Are there any gaps or areas for improvement in the financial crime legal framework?**

The provisions governing financial crimes in India have been made quite stringent (in terms of punishments and coverage) over the last several years – and investigation and prosecution has also substantially picked up. Companies and individuals face several challenges should an issue arise – these arise from regulatory overlap (multiple regulatory authorities involved in same facts, if it involves several different offences), lack of uniformity in practices of investigative agencies, long-running investigations and legal proceedings (which can run into years, or (in case of legal proceedings) even decades), belated investigations being commenced (where the alleged offence took place several years ago, and records may not be available) and limited ability to settle/compound offences – these are being addressed, and the expectation is for them to be a lesser concern as systems, processes and institutions continue to learn.

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