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“EVOLVING CORPORATE CRIMINAL LIABILITY IN INDIA: THE CASE FOR RECOGNIZING THE ‘CORPORATE MIND’”

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ABSTRACT

Corporate criminal liability theories around the world have struggled in recent years to determine how to provide artificial entities mens rea. For a long time, the common law system has used the identification concept to hold businesses responsible by using their “directing mind and will”. This paper analyzes India’s existing doctrinal approach to corporate criminal liability and compares it with the comparative model of the U.S.A and U.K and argues for statutory recognition of a distinct “corporate mind” or organizational mens rea. This paper also explores how U.K’s 2007 Corporate Manslaughter Act which came in effect for making people liable for death caused due to poor management in corporate; still used by the country for the majority of offences. On the other hand U.S.A courts have created an aggregation (or “collective intent”) concept that combines the knowledge and intent of several individuals to create a corporate mens rea. Recent UK laws(such as the Bribery Act 2010 and Criminal Finance Act 2017) , by placing stringent obligations on business to identify and stop related misconduct substantially broaden the definition of corporate fault. These worldwide patterns highlight a fundamental doctrinal conflict between holding the corporate body accountable and demanding a guilty person actor.

Indian jurisprudence oscillated between critical understanding of a company that may have mens rea and anthropomorphic attributions, which attribute intent to specific directors. In cases where intent is diffuse and cannot be linked to a single actor, such as financial frauds, widespread environmental violations, and systematic bribery, this ambiguity leads to enforcement gaps. When institutional failings lead to corporate misbehavior, relying only on individual charges runs the risk of impunity or insufficient remedies.

The paper explores doctrinal analysis, representative case examples, and policy in concerns in order to offer a reform package (1) an organizational-fault test that considers corporate culture,

compliance system, and governance failures; (2) a statutory recognition of organizational mens rea in addition to individual liability; and (3) improved investigative mechanisms catered to intricate corporate structures. This approach would allow businesses to be held effectively accountable as collective agents while maintaining equity for individuals. The study comes to the conclusion that effective corporate criminal enforcement in contemporary India requires an understanding of the corporate mind.

Key Words: Corporate Criminal Liability, Corporate Mens Rea, Identification Doctrine, Organizational Fault, Aggregation Theory

Introduction

Corporations have a significant impact on governments, economies, and people's day-to-day lives in the modern world. As a result of this growing influence, there has been an increase in the number of cases where businesses commit major crimes such as financial fraud, corruption, and environmental norms violation. When such crimes occur, a crucial question is raised: how can we punish a corporation that lacks the body, mind, and emotion of living beings? The concept of corporate criminal culpability is based on this query.

The most difficult part of corporate criminal law is proving that a company had a guilty mind or mens rea. Since a company is an artificial legal person, it is incapable of having human-like thoughts and emotions. Therefore, courts must determine whose mental state qualifies as the company's mind. Is it managers, directors, or combined employee knowledge? When crime occurs due to poor processes, a culture of carelessness, or decisions made by multiple departments, it is extremely difficult to hold large corporations accountable.

This problem has been tackled in different ways by different countries, such as the 'Identification Doctrine', which is applied in the U.K. According to this doctrine, the mind of a company is determined by the minds of important individuals of the company. On the other hand, the U.S.A. used "aggregation theory"; in this theory, they create corporate intent by combining the knowledge and actions of numerous employees. Some nations, like Australia, have gone one step ahead by recognizing the idea of corporate culture, which maintains that a company's internal policies, practices, and flaws can expose its guilt.

The law in India regarding Corporate Criminal liability is still evolving. There have been

different decisions given by the court from time to time. For example, in the case of “Iridium India Telecom Ltd. Vs. Motorola Inc.”¹, the Supreme Court said that there is a mens rea of corporation in some cases and they can be tried under Criminal laws”. On the other hand, in the case of “Sunil Bharti Mittal vs CBI”², “the Supreme Court said that the action or state of mind of a corporate officer is treated as if it is that of the company so as to make the company liable in criminal law”³. This inconsistency shows that Indian law still lacks a clear understanding of how to recognize a corporation's “mind.”

This paper explores the development of corporate criminal culpability, and also it compares the position of India with the U.S.A. and the U.K. laws, and suggests that India should Formally recognize “Corporate Mind” in order to establish criminal intent. Additionally, it also suggests that Indian law should use an organizational mens rea model, which is one that looks at the corporate culture, systems, and group decision-making. Understanding the corporate mind will make enforcement fairer, improve governance, and bring Indian law more in line with international standards.

Origin of the Corporation

A company or corporation is a collection of people who join together to conduct business. A corporation is a legal body that is recognized by the law. Even though English law traces the concept of origin of the corporation to the fourteenth century. According to some scholars⁴ the origins of corporations can be traced back to the twelfth century or possibly to Roman law, where juristic persons were supposedly acknowledged.

“In general, a company could not be found guilty of a crime under common law. The doctrine of respondent superior, also known as vicarious liability, which holds the master accountable for his servant’s actions throughout the course of work”⁵. In order to compensate third parties, the idea of vicarious liability was developed in the seventeenth century in tort law. But the common law rejected the vicarious liability for crimes because they required mens rea or a guilty mind.

¹ Iridium India Telecom Ltd. Vs. Motorola Inc., (2011) 1 SCC 74 (India)

² Sunil Bharti Mittal vs CBI, (2015) 4 SCC 609

³ Author unknown, *Supreme Court on Corporate Officers’ Criminal Liability*, *IndiaCorpLaw*, <https://indiacorplaw.in/2015/01/12/supreme-court-on-corporate-officers/>

⁴ Edwards Gross; *Organization structure and organization crime*, in *White collar crime: Theory and Research* 53 (Gilbert Geis and Ezra Scotland eds, Sage Publ’ns 1980)

⁵ Abhimanyu Kumar, *Corporate Criminal Liability* (Aug.10, 2009), <https://ssrn.com/abstract=1446669> or <http://dx.doi.org/10.2139/ssrn.1446669>

However, a corporation comes under the definition of an artificial person, due to which establishing mens rea was the most difficult barrier to holding corporate criminals liable. “In 1915, the U.K. court, the House of Lords, gave a breakthrough in a case, Lennards Carrying Co. Ltd. vs Asiatic Petroleum Co. by establishing the concept of directing mind or identification theory. Viscount Halden declared that “corporation is an abstraction”. It lacks both a body and mind of its own, so its active and directing will must be found in someone who may be referred to as an agent for some purpose but who is actually the corporation’s directing mind and will, its very ego and centre of personality.”⁶ The Canadian Court then used the principle of directing mind in the case of R vs. Fane Robinson, holding that a corporation that is able to enter into legally binding agreements with both individuals and other corporations can be said to entertain mens rea when it enters into an agreement.

Legal Personality of Corporations

The conceptual framework for holding businesses accountable for crimes is the idea of corporate legal personality. Despite being a British ruling, the famous case of Solomon vs Solomon & Co. Ltd.⁷ had a significant impact. The idea that a corporation has a separate legal identity from its directors, stockholders, and members was established by this decision. Through a number of legislative acts and court rulings, the Indian legal system has accepted and developed this theory. The Companies Act of 2013 establishes the legal foundation for corporations’ operations and clearly acknowledges their distinct legal identity. Section 9⁸ of the act recognizes registered companies' corporate identity, enabling them to perform all of the functions of an incorporated business.

Criminal liability is affected in two ways by the acknowledgment of corporate personality. First, it makes it possible to prosecute businesses as separate legal entities from their human actors. Second, it presents its difficult issues regarding the attribution of mens rea, or guilty mentality, to artificial beings. In order to address this issue, Indian courts have created complex guidelines, acknowledging that corporate criminal responsibility must take into consideration the organizational culture and group decision-making procedures that define corporate entities.

Judicial ingenuity in adapting conventional criminal law principles to corporate situations has

⁶ Lennards Carrying Co. Ltd. vs Asiatic Petroleum Co, [1915] AC 705 (U.K.)

⁷ Solomon vs Solomon & Co. Ltd, [1897] AC 22 (H.L.)(U.K.)

⁸ Companies Act, No. 18 of 2013, Sec 9, India Code (2013).

been a defining feature of the development of corporate personality theory in India. Although corporations cannot be imprisoned, courts have acknowledged that they may be liable to other types of punishment, including fines, license revocation, and court-mandated organizational modifications. This modification shows how adaptable Indian legal ideas are to contemporary business situations.

Corporate Criminal Liability

“Only activities that violate criminal law are subject to criminal liability; in other words, liability cannot exist in the absence of a criminal law that forbids specific acts or omissions. The fundamental Latin maxim *actus non facit reum, nisi mens sit rea*, serves as the foundation for criminal culpability. It implies that in order to hold someone accountable, it must be demonstrated that they committed an act or omission that was prohibited by law and that they did so with malice.”⁹ “Therefore, there are two components to every crime: *actus reus*, which is physical, and *mens rea*, which is mental”.¹⁰ “In a technical sense, this is the rule of criminal liability, but generally speaking, the principle that underpins responsibility is autonomy of the individual, which asserts that the imposition of responsibility upon an individual flows naturally from the freedom to make rational choices about actions and behavior.”¹¹

“Although the aforementioned general norm applies to all criminal cases, criminal law jurisprudence has recognized one exception to the aforementioned idea in the shape of the doctrine of strict liability, which permits liability even in the absence of a guilty mental state. This occurs when a company's egregious negligence causes broad harm, such as in the Bhopal Gas tragedy, or when pollution causes mass destruction.”¹²

“In ‘Standard Chartered Bank & Others v. Directorate of Enforcement & Others’¹³, the Supreme Court recently examined the question of whether a company, or corporation, as a juristic person, could be prosecuted for an offense that carries a mandatory sentence of imprisonment and fine, and whether the court has the authority to impose a fine alone if found

⁹ Supra 5

¹⁰ W.O.Russell, *Russell on Crime* 17-51 (J.W.C. Turner Ed., New Delhi; Universal Law Publishing, New Delhi Pvt., 2001)

¹¹ A.Ashworth, *Principles of Criminal Law* 79-81 (Clarendon Press, Oxford 1991), cited in Brent Fisse, *Reconstructing, Corporate Criminal Law: Deterrence, Retribution, Fault, and Sanctios*, 56 S. Cal. L. Rev 1141 (1983)

¹² *Assn. of Victims of Uphaar Tragedy v. Union of India*, 104 (2003) DLT 234 (Del),

Rylands v. Fletcher, (1868), L.R. 3 H.L. 330 (U.K.)

¹³ *Standard Chartered Bank & Others v. Directorate of Enforcement*, (2005) 4 SCC 530 (India)

guilty. The Supreme Court ruled that there is no question about a company's potential for criminal prosecution and punishment.”¹⁴.

Legal Basis and Statutory Provision Related To Corporate Criminal Liability in India

Corporate criminal responsibility in India is based on a complex series of laws, court rulings, and constitutional clauses.

Constitution of India

The essential framework for corporate criminal culpability is provided by the Indian Constitution, which is the ultimate law of land. A key component of corporate accountability is “Article 14 of the constitution¹⁵, which ensures equality before law and equal protection under law”. This clause guarantees that, in terms of criminal behaviour, corporations are held to the same legal standards and penalties as natural individuals, regardless of their artificial nature.

The Supreme Court of India has repeatedly ruled that businesses can not claim immunity from criminal prosecution simply because of their corporate status, even though they may be treated differently from individuals in other ways due to their unique nature. A strong framework for corporate criminal responsibility has been developed due to this view.

“Indian courts have construed “Article 21 of the Constitution¹⁶, which safeguard the right to life and liberty, broadly to encompass protection against corporate wrongdoings and carelessness”. This interpretation has been especially important in situations when corporate organization have created environmental disasters, workplace safety violations and public health dangers. Business criminal prosecution has constitutional legitimacy since the courts have stressed that business activities endangering life, health, or environmental safety constitutes a breach of Article 21.”¹⁷

¹⁴ Supra 5

¹⁵ India Const. art 14.

¹⁶ India Const. art 21

¹⁷ Bhatt & Joshi Assocs., *Corporate Criminal Liability*, Bhatt & Joshi Associates (n.d.), <https://bhattandjoshiassociates.com/criminal-liability-of-corporate-officials-in-india/>

Bhartiya Nyaya Sanhita, 2023

This law comes into force in 2024. This law replaced Indian Penal Code, 1860. Despite being passed in India before independence, the Indian Penal Code has changed as a result of judicial interpretation to address corporate criminality. Although the IPC was mainly created to address criminal behavior by individuals, courts have modified its provisions to hold businesses responsible for illegal activity.

Criminal Conspiracy under Section 61(B) of BNS

Section 61(B) of BNS (Section 120 of IPC)¹⁸ has become an essential instrument in corporate criminal prosecutions. According to the clause, a criminal conspiracy is an agreement between two or more people to carry out a lawful or unlawful act by unlawful methods. This portion has been especially important in cases involving price-fixing agreements, coordinated fraudulent operations, and other types of corporate malfeasance.

“In Iridium India Telecom Ltd. v. Motorola Inc., the Supreme Court recognized that business choices frequently include several stakeholders acting in concert and ruled that corporations might be tried for conspiracy. Because of this view, law enforcement organizations are now empowered to prosecute businesses where systematic boardroom decisions and executive actions are clear indicators of criminal activity.”¹⁹

Negligence under Section 106

Section 106 of BNS (Section 304 A of IPC) which addresses deaths brought on by carelessness, has grown in importance in corporate criminal liability proceedings, especially in situations involving product responsibility and industrial accidents. The clause imposes criminal culpability for negligent activities that result in death, and courts have extended its application to business entities whose careless actions or choices cause tragic outcomes.

The Bhopal Gas Tragedy case²⁰ made clear that businesses are subject to criminal liability for irresponsible activities that result in death. The ramifications of this view are extensive for risk management procedures and corporate safety procedures.

¹⁸ Bharatiya Nyaya Sanhita, 2023, No. 45 of 2023, Section 61(b)

¹⁹ Supra 1

²⁰ Charan Lal Sahu Etc. Etc vs Union Of India and Ors. AIR [1990] SC 1480 (India)

Companies Act, 2013

A major development in corporate criminal liability law is the Companies Act of 2013, which introduced particular provisions aimed at corporate malfeasance and fraud.

Corporate Fraud under Section 447

A key component of Indian corporate criminal law, “Section 447 defines fraud in detail and imposes harsh penalties for corporate fraud. According to this clause, any act, omission, concealing of facts, or abuse of position carried out by an individual or organization with the intention of deceiving or obtaining an unfair benefit is considered fraud.”²¹

“The clause sanctions monetary fines and jail term, with fines up to three times the amount of the fraud. Complex corporate frauds, such as financial statement manipulation, asset misappropriation, and dishonest business practices, have been particularly successfully addressed by this section”²².

SFIO Powers under Section 212(6)

Authorized by Section 212(6), the Serious Fraud Investigation Office (SFIO) is a specialist investigative body devoted to corporate crimes. The law gives SFIO personnel the same authority as police officers under the Criminal Procedure Code, allowing them to make arrests of people engaged in frauds that fall within law 447. The enforcement mechanism against corporate crimes has been reinforced by these investigative powers, making it possible to investigate and prosecute complicated corporate frauds more successfully. The SFIO is a powerful instrument in corporate crime investigations since it has the power to conduct searches, seize documents, and question witnesses.

Environment Protection Act, 1986

A thorough framework for corporate environmental liability is established by the Environment Protection Act. Corporations are subject to criminal liability under the Act for a number of environmental offenses, such as pollution, handling dangerous materials without authorization, and breaking environmental regulations.

The Act's requirements, which mandate that businesses uphold environmental standards and have pollution control measures in place, are especially important when it comes to industrial

²¹ Companies Act, No. 18 of 2013, Section 447, India Code (2013)

²² Supra 17

operations. For accountable corporate leaders, violations may result in both monetary fines and incarceration.

Judicial Trends While Shaping The Concept Of Corporate Criminal Liability

The role of the Judiciary is very crucial in shaping the concept of Corporate Criminal Liability, through its judgement the judiciary gives us many doctrines. Here are some landmark judgments that help in evolving the concept.

Assistant Commissioner v. Velliappa Textiles Ltd²³

Because corporations cannot be penalized and prosecuted by the IPC, which calls for imprisonment, the court ruled that corporations cannot be imprisoned.

Legal Structure: The Companies Act has strengthened the notion of corporate criminal culpability. The Companies Act of 1956²⁴ was superseded by the Companies Act of 2013²⁵, which raised directors' liability.

“Officer in Default: Directors and officers in default may both be held accountable under the Companies Act of 2013. Key managerial people (KMP), a full-time director, and other designated officers fall under this category. Under the Indian notion of corporate criminal liability, any director who has knowledge of a criminal act or who has taken part in it without objecting may be held accountable.”²⁶

Standard Chartered Bank and Ors. v. Directorate of Enforcement²⁷

With this historic case, the courts' perspective was drastically altered. The bank faced legal action for allegedly breaking the Foreign Exchange Regulation Act of 1973. The Supreme Court ruled that a company could be held accountable regardless of the statute's required punishment, disregarding the harsh criminal requirements.

This case established that companies might be held criminally accountable, which signaled a

²³ Assistant Commissioner v. Velliappa Textiles Ltd

²⁴ Companies Act, No. 1 of 1956, India Code (enacted on 1st April 1956).

²⁵ Companies Act, No. 18 of 2013, India Code (enacted on 29 August 2013)

²⁶ Companies Act, No. 18 of 2013, Section 2(60), India Code (2013)

²⁷ Standard Chartered Bank and Ors. v. Directorate of Enforcement, 2006 (4) SCC 278

change in the legal system.

Effect on the Liability of Corporations:

“A corporation's employees are also impacted when it is found criminally guilty. Financial and criminal consequences may result from employees' illegal behavior. These may include conservatorship, permanent or temporary loss of deposit insurance, loss of government contracts, criminal fines, and civil penalties.”²⁸

The Iridium-Motorola Paradigm²⁹

In terms of corporate criminal responsibility jurisprudence, the Supreme Court's ruling in *Iridium India Telecom Ltd. v. Motorola Inc.* (2011) marks a turning point. In addition to greatly broadening the definition of corporation criminal responsibility, this historic ruling clarified a number of important features of corporate prosecution.

The Supreme Court made it clear in this case that companies may face prosecution for crimes requiring mens rea. The Court's rationale was based on the idea that corporate entities, albeit being artificial persons, might have criminal intent due to the combined knowledge and deeds of its human agents.

The conventional notion that companies could not have the mental state required for criminal responsibility because they are artificial entities was effectively refuted by this ruling.

The ruling expanded on the attribution concept by outlining how the corporation may be held accountable for the knowledge, intent, and conduct of important employees. Compared to previous, more stringent approaches to corporate criminal culpability, this view represented a substantial shift. The Court's approach, which took into account both individual and group acts inside the company, offered a strong foundation for comprehending how criminal intent can be proven in the corporate setting.

Sushil Sethi v. State of Arunachal Pradesh³⁰

Regarding the scope and character of directors' liability in corporate criminal cases, the ruling

²⁸ INTERNATIONAL JOURNAL OF ADVANCED LEGAL RESEARCH ISSN: 2582-7340, by Kumarappan M

²⁹ Supra 1

³⁰ *Sushil Sethi v. State of Arunachal Pradesh and other*, (2020) 3 SCC 240

in *Sushil Sethi v. State of Arunachal Pradesh* (2020) offered crucial clarification. This ruling provided precise guidelines for assessing individual accountability and addressed the long-standing worry regarding directors' automatic involvement in corporate crimes.

The Court stressed that a director's liability cannot be determined by their position within the corporation alone, but rather by specific accusations of misconduct or control over pertinent actions. This ruling preserved accountability for actual involvement in corporate malfeasance while establishing significant protections against indiscriminate prosecution.

The ruling offers a fair framework for evaluating director culpability, taking into account elements like knowledge of wrongdoing, actual involvement in decision-making, and the degree of control over business operations. This complex strategy ensures that those who are actually accountable for corporate misbehavior receive the proper repercussions while also protecting innocent directors.

Sunil Bharti Mittal vs. the Central Bureau of Investigation (CBI) ³¹

The founder and chairman of Bharti Enterprises, a well-known Indian conglomerate with holdings in retail, telecommunications, and other industries, is Sunil Bharti Mittal.

Cases involving corporate criminal responsibility may occur when a business is accused of criminal misconduct, frequently in situations involving fraud, corruption, environmental infractions, or other illegal activity. Both the business and its officers may be held accountable for illegal activity in such circumstances.

Doctrines Governing Corporate Criminal Liability in India

In India, the concept of corporate criminal liability is governed by two frameworks. The Organizational Model is the second, while the Derivative Model is the first.³²

a. Derivative Model

“According to India's derivative model of corporate criminal responsibility, an organization's liability stems from the wrongdoing of one of its employees. Because of its relationship with this person, the organization is liable. Vicarious culpability and Identification Doctrine, which includes subsections of the Doctrine of Alter Ego,

³¹ *Sunil Bharti Mittal vs. the Central Bureau of Investigation (CBI)*, (2015) 4 SCC 609

³² Corporate Criminal Liability in India - MyAdvo.in.”

Attribution, Collective Blindness, and Willful Blindness, make up this form of corporate criminal culpability.”³³

(i) **Vicarious Liability-** Two Latin legal maxims serve as the foundation for the idea of vicarious liability. *Respondeat superior*, which translates to "let the master answer," is the second maxim. The first states that "he who acts through another shall be deemed to have acted on his own." Vicarious responsibility was traditionally limited to civil cases.

However, the Indian judiciary has acknowledged that this doctrine also applies to corporate criminal culpability because a corporation is an artificial person and a distinct legal entity.

(ii) **Identification Doctrine-** The Doctrine of Identification seeks to pinpoint the well-known individuals who represent a company and whose actions can be linked to the company. The actions of the designated individuals should fall within the parameters of their job and power. Although the specifics may be unapproved, the act must be carried out within the employee's designated area of operation. Vicarious liability is limited by the Identification Doctrine.

(iii) **Doctrine of Collective Blindness-** Because of the collective knowledge of the entire company, courts have decided that the Doctrine of Collective Blindness permits corporate culpability even in cases when no one employee was at fault.

(iv) **Doctrine of Willful Blindness-** When illegal or criminal activity occurs and the corporate agent does nothing to prevent it, this doctrine is applicable.

(v) **“Doctrine of Attribution-** In cases of punishment or incarceration for acts or omissions that result in criminal law violations, the controlling mind and will of the companies are held accountable for the *mens rea*, or guilty mind, according to the notion of attribution.”³⁴

(vi) **Doctrine of Alter Ego-** A person's character that is concealed from others is known as their alter ego. The owners and people in control of the business are believed to be its Alter Ego. According to this theory, the directors and other people who run the company can be held responsible for the decisions made by or on behalf of the corporation because an organization lacks a soul, body, or mind and humans are the ones who make decisions.

³³ Pranavi Agrawal, *Corporate Criminal Liability in India: A Pressing Issue*, Wharton School, University of Pennsylvania (2022)

³⁴ *Supra* 34

b. Organizational Model- An organization's culture that may encourage criminal action is the main emphasis of India's Organizational Model of corporate criminal liability. A business cannot have mens rea, or the criminal desire to commit a crime, because it is an artificial person.

Nonetheless, the company may foster a culture that encourages or psychologically supports criminal activity among its staff members. In certain situations, it is decided that the company possessed the necessary mens rea to be charged with corporate criminal culpability.

Corporate Liability Under International Laws

Foreign Corrupt Practices Act (FCPA)

A revolutionary piece of legislation, the Foreign Corrupt Practices Act (FCPA) has drastically changed corporate accountability and international business practices. The FCPA, which was passed by the US Congress in 1977, has developed into a potent instrument for preventing corporate misconduct across national borders and setting previously unheard-of norms for corporate behavior in global company operations. The Act's twin emphasis on accounting rules and anti-bribery prohibitions has produced a comprehensive framework that affects business behavior well outside of the United States.

The FCPA is especially important for Indian businesses doing business abroad because of its broad jurisdictional reach and harsh penalties for infractions. FCPA compliance rules apply to Indian companies operating in the United States, listed on U.S. stock markets, or doing business with U.S. businesses. The FCPA's extraterritorial application has forced Indian businesses to put in place strong internal controls and compliance processes to stop corrupt conduct in their global operations.

FCPA compliance has far-reaching effects on business operations, including everything from third-party connections to business development initiatives. When interacting with international business partners, government representatives, or intermediaries, Indian enterprises are required to perform extensive due diligence. This entails putting internal control mechanisms in place, keeping thorough transaction records, and developing precise procedures for dealing with foreign government representatives. Many Indian businesses have improved their corporate governance structures and restructured their worldwide operations as a result of the Act's provisions.

The corporate sector has been made aware of the grave repercussions of non-compliance by FCPA enforcement proceedings against Indian corporations. These instances have shown that serious penalties and reputational harm can arise from even indirect participation in corrupt activities, such as through joint ventures or third-party agents. Indian businesses have made FCPA compliance a top priority in their risk management plans as a result of the U.S. Department of Justice and Securities and Exchange Commission's vigorous enforcement tactics.

UK Bribery Act, 2010

Another important piece of international anti-corruption law is the UK Bribery Act of 2010, which is frequently regarded as being stricter than the FCPA in several respects. By introducing the idea of strict accountability for businesses that fail to prevent bribery, this comprehensive regulation has created new international norms for corporate behavior. The Act is applicable to many foreign firms, including those with headquarters in India, since it covers any business that undertakes a portion of its operations in the United Kingdom.

The Act has had a significant impact on international corporate conduct standards, pushing businesses to implement more stringent compliance initiatives and moral business practices. In order to prevent bribery, organizations must prove that they have put "adequate procedures" in place. These procedures usually involve risk assessment, due diligence, training, monitoring, and review procedures. This need has raised the bar for corporate governance norms globally and prompted the creation of increasingly complex compliance structures.

Multinational firms frequently need to thoroughly assess and improve their current anti-corruption initiatives in order to comply with the UK Bribery Act.

Businesses must make sure their compliance frameworks handle the risks of corruption in both the public and private sectors, keep thorough records of their preventative actions, and routinely evaluate the success of their anti-corruption initiatives. Proactive rather than reactive approaches to corruption risk management have been promoted by the Act's emphasis on prevention.

Suggested Reform in Corporate Criminal Liability

As the field of corporate criminal liability develops, new issues must be addressed and enforcement strategies must be strengthened. This section looks at suggested changes meant to improve corporate criminal liability frameworks' efficacy, implement restorative justice strategies, and take advantage of technological developments in corporate crime prevention.

a. Enhancing the legal system

Despite being thorough, the current legal framework for corporate criminal responsibility needs to be strengthened in order to handle modern issues and changing company structures. Reforms to increase corporate accountability and improve the efficacy of enforcement procedures have been recommended by a number of parties.

b. Improved Enforcement Techniques

To improve enforcement methods, regulatory agencies and legal experts have put forth a number of recommendations. One of these proposals is to create courts specifically for corporate crimes, akin to the National Company Law Tribunals but with an emphasis on criminal cases. These courts would have the know-how to effectively manage intricate corporate criminal matters while guaranteeing uniform application of corporate criminal legislation.

Increasing the authority of investigative agencies is another important suggestion. This entails improving collaboration between different enforcement agencies and providing the Serious Fraud Investigation Office (SFIO) with more investigation capabilities. A centralized database is suggested by the proposed revisions of corporate criminals and creating official procedures for information exchange between various investigative authorities.

c. Overview of Restorative Justice

In corporate criminal liability, the idea of restorative justice signifies a paradigm change from strictly punitive methods to more all-encompassing solutions that concentrate on recompense for victims and rehabilitation.

d. Victim-Centered Methods

The necessity of giving victim compensation and rehabilitation top priority in corporate criminal cases is emphasized by proposed legislation. In addition to paying fines, this strategy would mandate that companies found guilty of criminal activity actively contribute to the rehabilitation of impacted communities and individuals.

The proposals call for the creation of special victim compensation funds that would be financed by corporate fines and settlements. These funds would address the frequently

protracted delays in typical court-ordered compensation by guaranteeing victims rapid reimbursement while legal proceedings are ongoing.

e. Future Directions

In the future, new technology and methods will be included in suggested corporate criminal responsibility reforms. Important areas for further development consist of: Machine learning algorithms integrated into regulatory monitoring systems, creation of uniform technology frameworks for business compliance, improvement of international collaboration in corporate crime investigations Establishment of international databases for corporate criminal activity.

These recommendations offer a thorough strategy for changing corporate criminal liability laws, striking a balance between the goals of rehabilitation and prevention and the necessity of efficient enforcement.

Stakeholder engagement, ongoing adaptation to new corporate governance issues, and careful consideration of actual implementation obstacles are all necessary for these suggested reforms to be successful. The legal system must continue to be flexible and adaptable to emerging issues while guaranteeing efficient responsibility for corporate wrongdoing as technology advances and business structures grow more intricate.

Conclusion

In conclusion, the analysis of corporate criminal responsibility in India in relation to global norms has shown that India, the US, and the UK have different legal systems and enforcement strategies. While universal concepts include the need of whistleblowers and vicarious liability.

Protection, personal responsibility, and openness are prioritized in legal norms; significant distinctions, such India's lack of a formal Deferred Prosecution Agreement (DPA) structure, offer India the chance to improve its corporate criminal liability legislation. The results highlight how crucial it is to implement global best practices and changes in order to promote moral business practices and strike a balance between corporate responsibility and economic stability.

These observations highlight the important effects that corporate criminal liability laws have on society and industry. Strong compliance programs are essential for businesses due to the possibility of financial and legal penalties, harm to their reputation, and operational disruptions. These rules serve as a deterrent, encourage accountability, support justice and reparations, and

foster ethical behavior and openness on a social level.

Given the dynamic nature of company activities, technology improvements, and the changing global scenario, corporate criminal liability laws in India must be continuously monitored and adjusted.

Continuous modifications are required to handle new types of corporate wrongdoing, cross-border obstacles and modifications to the regulatory landscape. To guarantee that India's corporate criminal liability laws continue to be efficient, equitable, and responsive to changing challenges—all of which contribute to a business environment that benefits both corporations and society—it is imperative to conduct impact assessments, strengthen the legal framework, learn from international experiences, and promote cooperation.

In conclusion, corporate criminal liability rules in India must be continuously monitored and adjusted due to the dynamic nature of corporate behavior and the business.

A balance between corporate responsibility, equity, financial stability, and moral business practices should be the goal of these modifications.

Frequent evaluations and modifications can support the legal framework's continued applicability and efficiency in resolving corporate wrongdoing and how it affects society and business.