



Understanding Socio-Economic Offences: The Conceptual Framework

Chow Ananda Mungyak, 4th Year Student, B.A.LL.B., School of Law, Lovely Professional University

Published on: 10th September 2025

Abstract

Socio-economic offences represent a unique category of crimes that undermine both economic stability and social trust. Unlike conventional offences, these crimes are driven by greed, deception, and systemic exploitation, targeting institutions and the public at large. This paper critically examines the conceptual framework of socio-economic offences with reference to statutory provisions under the Prevention of Money Laundering Act, 2002, the Companies Act, 2013, and the Prevention of Corruption Act, 1988, alongside recent amendments and enforcement trends. Drawing on doctrinal and empirical methods, it highlights the rise of cyber and banking frauds, landmark cases such as the PNB Fraud Case and the ICICI Bank-Videocon Case, and explores the broader economic and social consequences. The research argues for enhanced regulatory oversight, technology-driven compliance, and institutional reforms to ensure transparency and accountability.

Keywords: *socio-economic offences, money laundering, corporate governance, financial fraud, cybercrime*

I. INTRODUCTION

Socio-economic offences represent a distinct category of crimes that transcend traditional criminal behaviour by targeting the economic and social fabric of society¹. According to India's 47th Law Commission Report, these offences impact the health, morals, and overall well-being of the community rather than just individual victims¹. Unlike conventional crimes that carry social stigma, socio-economic offences often lack the moral condemnation typically associated with traditional criminal behaviour, making them particularly insidious².

The defining characteristics of socio-economic offences include their motivation by excessive greed rather than emotional factors, their targeting of state or group victims (such as consumers and shareholders), their reliance on deception rather than force, and their intentional commission with full knowledge of consequences³. These crimes particularly threaten economic systems and national resources while undermining social interests in wealth preservation and regulatory compliance⁴.

II. RESEARCH METHODOLOGY

The research methodology for this paper employs a qualitative doctrinal approach, complemented by targeted empirical data analysis. The doctrinal method involved systematic review and interpretation of primary legal materials, including statutes such as the Prevention of Money Laundering Act (PMLA) 2002 and Companies Act 2013, as well as recent amendments and key judicial decisions to establish a clear understanding of the current regulatory landscape⁵. Secondary sources such as academic articles, law commission reports, government statistics, and reputable news reports were also analysed to contextualise legislative trends and enforcement patterns⁶.

To assess contemporary trends, the research incorporated publicly available empirical data, including cybercrime and banking fraud statistics reported by government and regulatory agencies. This mixed-methods approach enabled a holistic analysis of both legal frameworks and real-world impacts, as evidenced by recent financial crime trends and enforcement case studies. Critical reading and comparative analysis were used throughout to synthesise diverse sources and develop practical recommendations for addressing socio-economic offences.

¹ Socio-economic offences in India. (2022, January 27). iPleaders. <https://blog.ipleaders.in/socio-economic-offences-in-india/>

² Socio-economic offences in India. (2022, January 27). iPleaders. <https://blog.ipleaders.in/socio-economic-offences-in-india/>

³ Socio-Economic Offences in India. (2025, July 10). LawBhoomi. <https://lawbhoomi.com/socio-economic-offences-in-india/>

⁴ Socio-Economic Offences in India. (2025, July 10). LawBhoomi. <https://lawbhoomi.com/socio-economic-offences-in-india/>

⁵ Socio-Economic Offences in India. (2025, July 10). LawBhoomi. <https://lawbhoomi.com/socio-economic-offences-in-india/>

⁶ Socio-economic offences in India. iPleaders. (2022, January 27). <https://blog.ipleaders.in/socio-economic-offences-in-india/>

III. DATA SOURCES AND RESEARCH TOOLS

Primary Legal Sources: Statutes (PMLA, Companies Act 2013, Prevention of Corruption Act), case law from Supreme Court and High Courts, and regulatory guidelines from RBI, SEBI, and other authorities.

Secondary Sources: Academic articles, government reports (including NCRB data), enforcement agency publications, and international comparative studies.

IV. CURRENT LEGAL FRAMEWORK AND RECENT DEVELOPMENTS

1) Anti-Money Laundering Laws: 2024-2025 Amendments

The Prevention of Money Laundering Act (PMLA) 2002 remains the cornerstone of India's anti-money laundering framework, but significant developments have occurred recently⁷. The Securities and Exchange Board of India (SEBI) issued updated AML/CFT Guidelines in June 2024, superseding the 2023 guidelines and introducing several critical changes⁸.

Key amendments include the reduction of beneficial ownership thresholds from 25% for companies and 15% for partnerships to a uniform 10% for both entity types⁹. The 2024 guidelines also mandated compliance with the Weapons of Mass Destruction Act, requiring stock exchanges and intermediaries to maintain "Designated Lists" and verify transacting parties against them¹⁰.

The March 2023 amendment to PML (Maintenance of Records) Rules significantly expanded reporting requirements to include cryptocurrency and virtual digital asset transactions¹¹. This represents a landmark shift in bringing digital assets under comprehensive AML oversight¹².

2) Corporate Compliance Under the Companies Act 2013

The Companies Act 2013 continues to evolve with regular amendments addressing governance

⁷ Deep dive into SEBI's new AML/CFT guidelines. (2025, April 28). Cyril Amarchand Mangaldas.

<https://disputeresolution.cyrilamarchandblogs.com/2025/04/expanding-the-regulatory-framework-deep-dive-into-sebis-new-aml-cft-guidelines/>

⁸ Deep dive into SEBI's new AML/CFT guidelines. (2025, April 28). Cyril Amarchand Mangaldas.

<https://disputeresolution.cyrilamarchandblogs.com/2025/04/expanding-the-regulatory-framework-deep-dive-into-sebis-new-aml-cft-guidelines/>

⁹ Deep dive into SEBI's new AML/CFT guidelines. (2025, April 28). Cyril Amarchand Mangaldas.

<https://disputeresolution.cyrilamarchandblogs.com/2025/04/expanding-the-regulatory-framework-deep-dive-into-sebis-new-aml-cft-guidelines/>

¹⁰ Deep dive into SEBI's new AML/CFT guidelines. (2025, April 28). Cyril Amarchand Mangaldas.

<https://disputeresolution.cyrilamarchandblogs.com/2025/04/expanding-the-regulatory-framework-deep-dive-into-sebis-new-aml-cft-guidelines/>

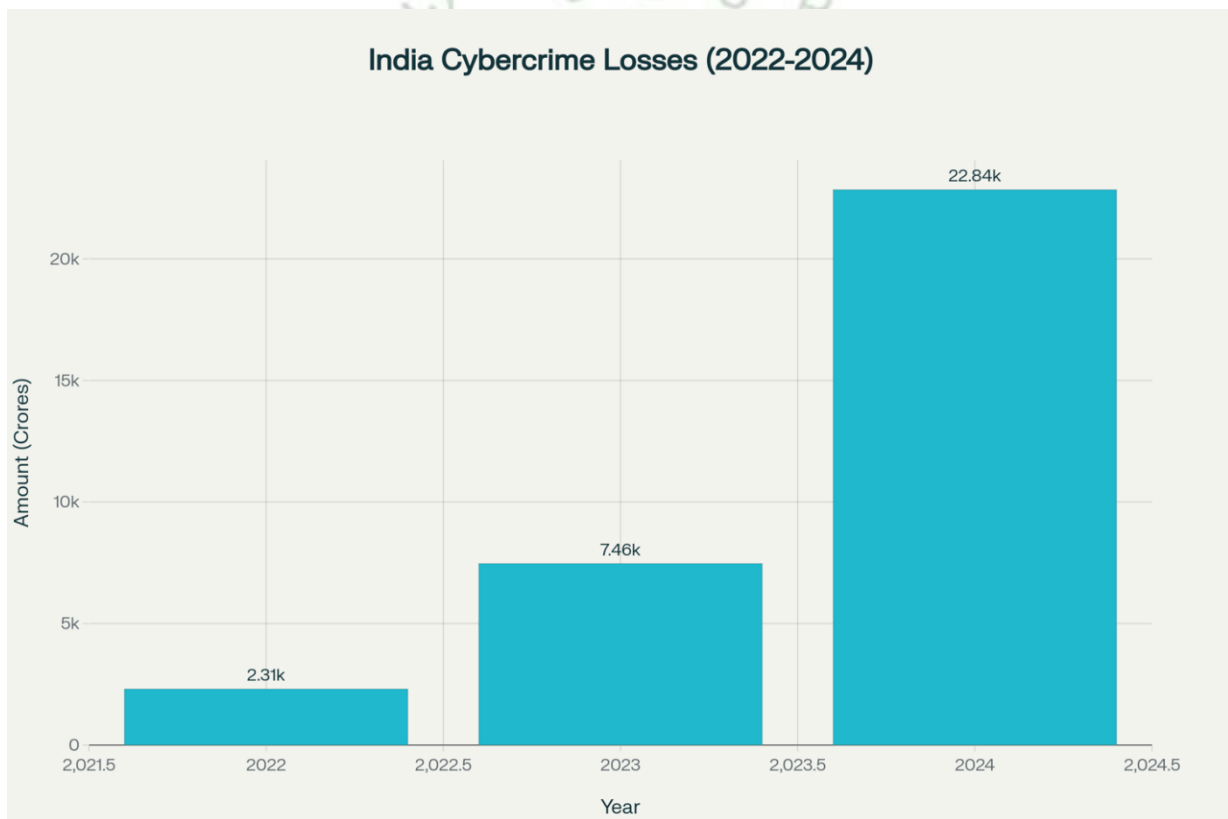
¹¹ AML Regulations in India: A Complete Guide for 2025. (2025, March 10). KYC Hub. <https://www.kychub.com/blog/aml-regulations-in-india/>

¹² AML Regulations in India: A Complete Guide for 2025. (2025, March 10). KYC Hub. <https://www.kychub.com/blog/aml-regulations-in-india/>

gaps¹³. Essential compliance requirements for private companies include annual director disclosures through Form MBP-1 (disclosure of interest by directors) and Form DIR-8 (declaration of non-disqualification)¹⁴. The Act mandates specific committee structures, including audit committees for oversight of financial reporting and nomination and remuneration committees for fair appointments¹⁵.

Recent enforcement trends show increased scrutiny of corporate governance violations, with the Serious Fraud Investigation Office (SFIO) taking more aggressive action against corporate malfeasance¹⁶. The SFIO v Amrapali Group case (2024-25) resulted in rare jail terms for auditors who suppressed material facts, signalling stricter enforcement of professional responsibilities¹⁷.

V. STATISTICAL ANALYSIS OF CURRENT TRENDS



Rising trend of cybercrime financial losses in India is showing a dramatic increase over three years

¹³ You Need to Need About Corporate Compliance for Indian Companies. (2025, May 16). TaxGuru. <https://taxguru.in/corporate-law/need-need-about-corporate-compliance-indian-companies.html>

¹⁴ Essential Compliances under Companies Act, 2013. (2024, September 2). Complinity. <https://complinity.com/blog/compliance/essential-compliances-under-companies-act-2013/>

¹⁵ Strategic Compliance And Corporate Governance Under The Companies Act 2013. (2025, June 17). IJLSSS. <https://ijlsss.com/strategic-compliance-and-corporate-governance-under-the-companies-act-2013/>

¹⁶ Laws Against White-Collar Crime in India: The 2025 Guide. (2025, June 19). Foresight Law. <https://foresightlaw.in/blog/laws-against-white-collar-crime-in-india-the-2025-guide/>

¹⁷ Laws Against White-Collar Crime in India: The 2025 Guide. (2025, June 19). Foresight Law. <https://foresightlaw.in/blog/laws-against-white-collar-crime-in-india-the-2025-guide/>

1) Cybercrime and Financial Fraud Explosion

India experienced unprecedented growth in cybercrime losses, with financial losses reaching ₹22,845.73 crores in 2024, representing a staggering 206% increase from the previous year's ₹7,465.18 crores¹⁰. This dramatic escalation reflects the evolving nature of financial crime in the digital age.

The number of cybercrime complaints similarly increased, with 36.37 lakh incidents reported in 2024 compared to 24.42 lakh in 2023¹⁸. This trend demonstrates both increased criminal sophistication and improved reporting mechanisms through platforms like the National Cyber Crime Reporting Portal (NCRP) and Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS)¹⁹.

However, enforcement efforts have shown some success, with the CFCFRMS helping save over ₹5,489 crores across 17.82 lakh complaints. The government has also blocked over 9.42 lakh SIM cards and 2.63 lakh IMEI numbers linked to cyber fraud²⁰.

2) Banking Sector Fraud Patterns

Banking frauds continue to represent a significant threat to India's financial system²¹. Recent data indicates that advances category frauds dominate the banking sector, typically involving stolen or fake banking and ID cards²². The Reserve Bank of India reported an eightfold increase in fraud losses in the first half of fiscal year 2024-25 compared to the same period the previous year²³.

Digital banking fraud has particularly escalated, with BioCatch reporting that Indian customers experienced three times more fraud cases in 2024 than in 2023²⁴. Social engineering scams now account for nearly one-third of all reported fraud in India, with digital arrest scams alone resulting

¹⁸ India's cyber fraud epidemic: Rs 22845 crore lost in 2024. (2025, July 21). Times of India. <https://timesofindia.indiatimes.com/business/cybersecurity/indias-cyber-fraud-epidemic-rs-22845-crore-lost-in-just-a-year-206-jump-from-previous-year-says-government/articleshow/122840099.cms>

¹⁹ India's cyber fraud epidemic: Rs 22845 crore lost in 2024. (2025, July 21). Times of India. <https://timesofindia.indiatimes.com/business/cybersecurity/indias-cyber-fraud-epidemic-rs-22845-crore-lost-in-just-a-year-206-jump-from-previous-year-says-government/articleshow/122840099.cms>

²⁰ India's cyber fraud epidemic: Rs 22845 crore lost in 2024. (2025, July 21). Times of India. <https://timesofindia.indiatimes.com/business/cybersecurity/indias-cyber-fraud-epidemic-rs-22845-crore-lost-in-just-a-year-206-jump-from-previous-year-says-government/articleshow/122840099.cms>

²¹ White Collar Crimes in India. (2025, April 7). iPleaders. <https://blog.ipleaders.in/white-collar-crimes-in-india/>

²² India: value of bank frauds by category 2024. (2025, July 1). Statista. <https://www.statista.com/statistics/1223028/india-value-of-bank-frauds-by-category/>

²³ Data shows Indian fraud cases tripled in 2024. (2024, September 15). BioCatch. <https://www.biocatch.com/press-release/indian-fraud-cases-tripled-in-2024>

²⁴ Data shows Indian fraud cases tripled in 2024. (2024, September 15). BioCatch. <https://www.biocatch.com/press-release/indian-fraud-cases-tripled-in-2024>

in estimated losses of ₹2,000 crores²⁵.

VI. LANDMARK CASES AND RECENT ENFORCEMENT ACTIONS

High-Profile Money Laundering Cases

- i. **Punjab National Bank Fraud Case:** The Nirav Modi and Mehul Choksi case remains one of India's largest banking frauds, involving approximately ₹14,000 crores through fraudulent Letters of Undertaking (LoUs)²⁶. The Appellate Tribunal for Forfeited Property recently upheld the attachment of Nirav Modi's aide's New York property worth \$7.1 million, demonstrating the global reach of enforcement efforts²⁷.
- ii. **ICICI Bank-Videocon Case:** Former ICICI Bank CEO Chanda Kochhar's case involving ₹1,875 crores in suspicious loans to Videocon Group exemplifies corporate governance failures. The case highlighted the intersection of corporate lending decisions and personal financial benefits, leading to enhanced scrutiny of related-party transactions²⁸.

Recent Enforcement Actions (2024-2025): The Enforcement Directorate has maintained aggressive prosecution, with recent cases including arrests related to the Delhi liquor policy scam and Jharkhand land records manipulation. These cases demonstrate the continued relevance of PMLA provisions in addressing contemporary corruption patterns²⁹.

Corporate Fraud Milestones

- i. **Satyam Scandal Legacy:** The 2009 Satyam case, involving ₹7,000 crores in accounting fraud, continues to influence corporate governance reforms. The case led to enhanced audit requirements and stricter penalties for financial misstatement³⁰.
- ii. **Infrastructure Leasing & Financial Services (IL&FS) Crisis:** Representing one of India's largest corporate failures with debts exceeding ₹91,000 crores, the IL&FS case exposed systemic risks in infrastructure financing and credit rating processes³¹.

²⁵ Data shows Indian fraud cases tripled in 2024. (2024, September 15). BioCatch. <https://www.biocatch.com/press-release/indian-fraud-cases-tripled-in-2024>

²⁶ Biggest money laundering cases in India. (2023, April 16). iPleaders. <https://blog.ipleaders.in/biggest-money-laundering-cases-in-india/>

²⁷ Business Crime 2025. (2024, October). Kachwaha & Partners. https://kaplegal.com/wp-content/uploads/2024/10/BC25_Chapter_12-India.pdf

²⁸ Biggest money laundering cases in India. (2023, April 16). iPleaders. <https://blog.ipleaders.in/biggest-money-laundering-cases-in-india/>

²⁹ Business Crime 2025. (2024, October). Kachwaha & Partners. https://kaplegal.com/wp-content/uploads/2024/10/BC25_Chapter_12-India.pdf

³⁰ Unmasking Corporate Frauds in India. (2025, March 20). IDfy. <https://www.idfy.com/blog/unmasking-corporate-frauds-in-india/>

³¹ All about corporate fraud. (2024, February 11). iPleaders. <https://blog.ipleaders.in/all-about-corporate-fraud/>

VII. ECONOMIC IMPACT AND SOCIAL CONSEQUENCES

i. Macroeconomic Effects

Research demonstrates a significant relationship between economic development and crime rates in India. A study using data from 1981 to 2020 found long-term unidirectional causality running from GDP to crime numbers, suggesting that economic growth, when not inclusive, can actually increase certain types of crimes³².

The convenience theory of white-collar crime suggests that financial motives, organizational opportunities, and personal willingness combine to create criminogenic conditions. This theoretical framework helps explain why economic growth periods often coincide with increased white-collar crime incidents³³.

ii. Social Trust and Institutional Impact

Socio-economic offences fundamentally undermine public trust in institutions. The emergence of parallel economic networks and black money circulation represents a direct challenge to legitimate economic channels. These crimes create concentration of economic power while depriving broader society of resources intended for public welfare³⁴.

The media's portrayal of financial crimes can inadvertently glamorize such behavior, creating toxic competition and encouraging materialistic pursuits for social validation. This cultural dimension adds complexity to enforcement challenges beyond legal and regulatory measures³⁵.

VIII. CONCLUSION: THE PATH FORWARD

Socio-economic offences; including white collar crimes, financial fraud, corporate compliance violations, and money laundering, pose some of the greatest challenges to India's legal and economic landscape, as evidenced by both recent legislative developments and alarming statistical trends. This research has shown that such crimes are intricately linked to the health of financial institutions, the integrity of corporate governance, and the broader public trust in legal and economic systems. Legislative amendments like the evolving anti-money laundering framework and stricter compliance mandates under the Companies Act reflect India's dynamic

³² Relationship between Economic Development and Crime rate in India. (2023, October). RAIJMR. https://www.raijmr.com/ijrhs/wp-content/uploads/2023/10/IJRHS_2022_vol10_issue_10_07.pdf

³³ Convenience Triangle in White-Collar Crime: An Empirical Study. (2021, July 2). Taylor & Francis. <https://www.tandfonline.com/doi/full/10.1080/01639625.2019.1705679>

³⁴ Invisible Offences, Visible Consequences: Emergence of White Collar Crimes. (2025, August 10). Crime and Justice Blog. <https://crimeandjustice.blog/2025/08/11/invisible-offences-visible-consequences-emergence-of-white-collar-crimes/>

³⁵ Invisible Offences, Visible Consequences: Emergence of White Collar Crimes. (2025, August 10). Crime and Justice Blog. <https://crimeandjustice.blog/2025/08/11/invisible-offences-visible-consequences-emergence-of-white-collar-crimes/>

response to these offences, while the sharp rise in cyber-enabled financial fraud underscores the urgent need for robust policy and technological interventions.

The empirical and doctrinal analysis conducted demonstrates that while significant progress has been made in both enforcement and prevention, considerable gaps remain. High-profile cases provide valuable lessons but also highlight enduring systemic vulnerabilities and the global interconnectedness of financial crime. Furthermore, the dramatic escalation in cybercrime losses emphasizes that new forms of digital crime demand adaptive strategies and cross-sectoral cooperation.

Looking forward, continued vigilance is essential; through sustained research, strengthened regulatory coordination, and proactive public awareness to limit the reach and impact of socio-economic crimes. Legal education and scholarship play a critical role by analysing trends, proposing policy reforms, and shaping the next generation of practitioners. Further research should focus on evaluating the effectiveness of recent amendments, empirically assessing compliance mechanisms, and exploring the social consequences of these offences more deeply, especially in the context of rapidly evolving technology and globalisation.

By grounding future strategies in evidence-based analysis and lessons learned from both successes and failures, India can move toward a more transparent, just, and resilient socio-economic order.

Bibliography

Primary Sources

- Constitution of India 1950.
- Prevention of Money Laundering Act 2002 (PMLA).
- Companies Act 2013.
- Prevention of Corruption Act 1988.
- Reserve Bank of India (RBI) Notifications and Reports.
- Securities and Exchange Board of India (SEBI), Anti-Money Laundering Guidelines, 2024.

Case Law

- *Punjab National Bank Fraud Case* (Nirav Modi and Mehul Choksi).
- *ICICI Bank-Videocon Case* (Chanda Kochhar matter).
- *SFIO v Amrapali Group* (2024–25).
- *Satyam Computer Services Ltd. Scandal* (2009).
- *IL&FS Crisis* (2018).

Secondary Sources

- Law Commission of India, *47th Report on Socio-Economic Offences* (1972).
- BioCatch, *Fraud Trends Report India 2024*.
- NCRB, *Crime in India Statistics 2024*.
- Ministry of Home Affairs, *Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS) Report* (2025).
- OECD, *Corporate Governance and Anti-Corruption Frameworks* (2023).
- Various academic articles and enforcement agency reports on financial crime and compliance.