



JSA Newsletter Anti-Corruption, White Collar Crimes & Investigations Practice



April 2026

The first quarter of 2026 (January–March 2026) has seen significant enforcement actions and judicial developments in India’s cybersecurity and white-collar crime landscape. In addition to multiple arrests, raids, and investigations undertaken by the Central Bureau of Investigation (“**CBI**”), the Enforcement Directorate (“**ED**”), and the Serious Fraud Investigation Office (“**SFIO**”), this quarter also witnessed some important legislative and regulatory developments.

Enforcements landscape

Prevention of Corruption Act, 1988

CBI arrests Assistant Commissioner in goods and services tax bribery case

On March 31, 2026, the CBI arrested an assistant commissioner of Central Goods and Services Tax, Ratlam, a public servant, in connection with a bribery case involving a demand of INR 5,00,000 (Indian Rupees five lakh) for not initiating goods and services tax proceedings against the complainant’s firm. The case was registered following allegations that the assistant commissioner, acting through a middleman, demanded illegal gratification and agreed to accept part payment. Acting on the complaint, CBI laid a trap and apprehended the accused red-handed while accepting INR 1,50,000 (Indian Rupees one lakh fifty thousand) through the intermediary. The conduct attracts offences under the relevant provisions of the Prevention of Corruption Act, 1988 (“**PC Act**”), and the accused was apprehended with the investigation continuing.

Prevention of Money Laundering Act, 2002

ED attaches assets worth crores in 1xBet illegal betting case

On March 2, 2026, the ED, New Delhi office, provisionally attached movable and immovable assets valued at approximately INR 18,10,00,000 (Indian Rupees eighteen crore ten lakh) in connection with an illegal online betting platform under the Prevention of Money Laundering Act, 2002 (“**PMLA**”). The action follows an investigation alleging that the platform was operating in India without authorisation and promoting illegal online betting and gambling activities through multiple mirror websites. Such operations are stated to be in violation of applicable gambling and information technology laws, thereby constituting a scheduled offence under the PMLA. The ED has attached assets, indicating the generation and layering of proceeds of crime, and the investigation remains ongoing.

ED places prosecution sanction order in money laundering case

On February 10, 2026, the ED placed a prosecution sanction order before the Rouse Avenue Court, New Delhi, against an ex-Union Finance Minister in connection with a money laundering case. The investigation under the PMLA was based on a First Information Report (“**FIR**”) filed by the CBI. It alleged offences under Sections 120-B and 420 of the Indian Penal Code, 1860 and Sections 7, 11, 12 and 13(1)(d) read with Section 13(2) of the PC Act. The allegations relate to the irregular grant of Foreign Investment Promotion Board (FIPB) approval in return for illegal gratification routed through shell entities. The proceeds of crime were quantified at approximately INR 65,88,00,000 (Indian Rupees sixty-five crore eighty-eight lakh), out of which assets worth INR 53,93,00,000 (Indian Rupees fifty-three crore ninety-three lakh) and INR 11,04,00,000 (Indian Rupees eleven crore four lakh) have been attached and confirmed. Further, the sanction has been placed before the court to expedite trial proceedings.

Cyber crimes

Former Judge defrauded of substantial amount in ‘digital arrest’ scam

On March 9, 2026, the Hyderabad police initiated an investigation into a ‘digital arrest’ cyber fraud case involving the transfer of more than INR 1,00,00,000 (Indian Rupees one crore) by a former judge who was deceived through the impersonation of law enforcement officials. The case was registered following a complaint alleging that the victim was threatened with arrest on false accusations of involvement in criminal activities. During the probe, it was revealed that the perpetrators impersonated police authorities, intimidated the victim, and coerced him into transferring funds under the pretext of legal action. The investigation revealed the modus operandi of digital arrest scams involving impersonation, threats, and extraction of money, and the investigation remains ongoing.

Two arrested in digital arrest scam involving multiple victims

On February 9, 2026, the Delhi Police Cyber Cell arrested 2 (two) accused in a major ‘digital arrest’ cyber fraud case involving transactions exceeding INR 100,00,00,000 (Indian Rupees one hundred crore), linked to at least 190 (one hundred and ninety) complaints. The action follows a complaint alleging that the accused posed as police officials and threatened private individuals with arrest to coerce them into transferring money. As per media sources, during the investigation, it was revealed that the accused impersonated law enforcement authorities, showed forged documents, and kept the victim under continuous digital surveillance for an extended period. The probe further revealed the use of shell companies and multiple bank accounts to route and layer the proceeds of crime. The accused have been arrested, and the investigation remains ongoing.

Companies Act, 2013

SFIO probes Industrial Finance Corporation of India in fraud investigation

On March 28, 2026, the SFIO initiated proceedings before the National Company Law Tribunal (“**NCLT**”) in connection with an alleged INR 6,855 crore (Indian Rupees six thousand eight hundred and fifty-five crore) loan fraud involving Industrial Finance Corporation of India (“**IFCI**”). The proceedings have been instituted under the Companies Act, 2013 (“**2013 Act**”), indicating allegations of fraudulent conduct of business, mismanagement in public interest, and potential personal liability of directors and officers. The investigation places over 90 (ninety) individuals and entities under scrutiny, including 3 (three) former chairmen and managing directors of IFCI, indicating potential long-term governance lapses and collusion in sanctioning loans. The SFIO’s probe also covers several corporate borrowers linked to stressed assets and insolvency proceedings, with the matter currently at the admission stage before the NCLT and further investigation ongoing.

Legislative/regulatory developments

Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026

On February 10, 2026, the Ministry of Electronics and Information Technology (“**MeitY**”) notified the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2026 (“**Amendment Rules**”), which came into effect on February 20, 2026. A key feature of the Amendment Rules is the introduction of the concept of ‘synthetically generated information’ (SGI), encompassing deepfakes, Artificial Intelligence (“**AI**”) generated or AI-altered images and videos, and voice cloning. The Amendment Rules bring such content within the existing intermediary liability regime and mandates enhanced due diligence obligations, including deployment of AI-based detection tools, content labelling and provenance tracking mechanisms, and expedited takedown requirements, within as little as ‘two’ hours of receipt of a complaint. The Amendment Rules aim to curb the misuse of generative AI technologies, particularly in relation to misinformation, impersonation, and data protection risks, while strengthening intermediary accountability within India’s evolving digital governance framework.

Financial Intelligence Unit issues Anti-Money Laundering and Combating the Financing of Terrorism Guidelines for Virtual Digital Assets

On January 8, 2026, the Financial Intelligence Unit–India, under the Ministry of Finance, issued the updated Anti-Money Laundering (“**AML**”) and Combating the Financing of Terrorism (“**CFT**”) Guidelines for Reporting Entities Providing Services Related to Virtual Digital Assets (“**VDA**”), 2026 (“**2026 Guidelines**”), superseding the 2023 framework. The 2026 Guidelines streamline the registration regime for VDA service providers and introduce enhanced governance and compliance requirements, including mandatory India-based principal officers with relevant expertise and clearer delineation of responsibilities between designated directors and principal officers. The 2026 Guidelines also strengthens risk-based compliance by requiring board-approved risk assessments, formal client classification, and periodic reviews, alongside more robust monitoring and reporting obligations, thereby reinforcing AML/CFT oversight for VDA-related activities in India.

Enforcement and investigative trends

The Ministry of Home Affairs issued a press release dated March 24, 2026 highlights the increasing convergence between cybercrime and money laundering enforcement in India, noting that the ED has registered around 257 (two hundred and fifty-seven) cybercrime-related cases under the PMLA involving proceeds of crime exceeding INR 35,900 crore (Indian Rupees thirty-five thousand nine hundred crore) as of February 2026. The release also underscores enhanced inter-agency coordination mechanisms through platforms such as the Indian Cyber Crime Coordination Centre (I4C), *SAHYOG* to facilitate information sharing and strengthen investigation and recovery efforts in cyber-enabled financial frauds, while reiterating that primary enforcement responsibility continues to lie with state law enforcement agencies.

Insurance Regulatory and Development Authority of India: information and cybersecurity guidelines

On April 06, 2026, the Insurance Regulatory and Development Authority of India issued updated Information and Cybersecurity Guidelines, introducing stricter governance, compliance, and technical requirements for insurance entities and intermediaries. The revised framework mandates structured exception management with tiered approvals and alignment with the Digital Personal Data Protection Act, 2023 through enhanced data protection measures, and tighter audit timelines requiring reporting within 30 days and audits by CERT auditors. The guidelines further emphasise outcome-driven cybersecurity controls, including infrastructure segregation, biannual advanced vulnerability assessment and penetration testing testing, and stricter cloud compliance norms involving MeitY-empowered providers. Additionally, they introduce forward-looking requirements such as cryptographic asset

inventory and resilience measures like immutable backups and failover systems, aiming to strengthen cybersecurity posture and operational resilience across the insurance sector.

International Financial Services Centres Authority AML/CFT and Know Your Customer guidelines

On February 26, 2026, the International Financial Services Centres Authority (“**IFSCA**”) issued updates to the IFSCA (Anti-Money Laundering, Counter-Terrorist Financing and Know Your Customer) Guidelines, 2022, introducing targeted amendments to strengthen the AML/CFT and Know Your Customer (“**KYC**”) framework for regulated entities. The revisions refine applicability by expanding exemptions while mandating risk-based assessments even for exempt entities, and enhance definitional clarity, including recognition of KYC Registration Agencies and expanded use of digital and equivalent e-documents. The updates further tighten customer due diligence and onboarding requirements, introduce confidentiality for customer risk categorisation, and strengthen obligations relating to non-profit organisations and record retention. Additionally, the framework reinforces enterprise-wide risk assessment, video-based customer identification process mechanisms, and compliance oversight, aligning with International Financial Services Centre standards and the Financial Action Task Force expectations, and improving transparency and traceability in financial transactions.

Judicial discourse

1. The Supreme Court of India (“**Supreme Court**”) in *Yerram Vijay Kumar vs. State of Telangana and Anr.*¹ held that criminal complaints alleging making of false statement under Section 448 of the 2013 Act cannot be instituted through private complaints, and that cognisance can be taken only on a complaint filed by the Director of the SFIO or an officer authorised by the Central Government, in terms of the second proviso to Section 212(6) of the 2013 Act. The Supreme Court ruled that offences under Section 448 (*punishment for making false statements*) are covered under Section 447 (*punishment for fraud*) of the 2013 Act and therefore, attract the statutory bar on private prosecution. However, the Supreme Court clarified that an aggrieved individual is not remediless and may approach the NCLT under Section 213 of the 2013 Act to seek an SFIO investigation. The judgment reinforces legislative intent to prevent frivolous or vexatious prosecutions for fraud and centralises serious corporate fraud enforcement to be carried out through the SFIO only.
2. The Supreme Court in *Karnataka Lokayuktha vs. Chandrashekar*² held that exoneration in departmental/disciplinary proceedings does not automatically warrant quashing of criminal prosecution, even when both arise from the same allegations. The Supreme Court clarified that its landmark decision on this aspect, namely *Radheshyam Kejriwal vs. State of West Bengal*³, applies only where there is exoneration on merits in the civil case that destroys the very basis of the allegation in criminal proceedings. In the present case, the departmental exoneration was not on merits but merely due to technical lapses in recording of evidence, namely, non-examination of a key witness. Relying on *State (NCT of Delhi) vs. Ajay Kumar Tyagi*⁴, the Supreme Court held that such failure of proof in a departmental inquiry cannot pre-empt a criminal trial where evidence can independently be recorded and appreciated. This decision may have implications in many white-collar and regulatory offences, wherein parallel proceedings under criminal and civil/departmental/quasi-judicial jurisdictions arise out of the same facts, as not every exoneration in the civil proceeding would lead to the criminal proceedings being non-maintainable.
3. The Supreme Court in *State (NCT of Delhi) vs. Khimji Bhai Jadeja*⁵ held that in cases involving large-scale cheating of multiple victims pursuant to a single criminal conspiracy, registration of a single FIR is permissible if

¹ 2026 SCC OnLine SC 44 (decided on January 9, 2026)

² 2026 SCC OnLine SC 13 (decided on January 6, 2026)

³ (2011) 3 SCC 581

⁴ (2012) 9 SCC 685

⁵ 2026 SCC OnLine SC 19 (decided on January 6, 2026)

the acts form part of the ‘same transaction’ for the purpose of Sections 220 and 223 of the Code of Criminal Procedure, 1973 (“CrPC”). The Supreme Court set aside the Delhi High Court’s view that each investor’s deposit (in this case, in a fraudulent investment scheme allegedly being run by the accused) required a separate FIR. It held that the ultimate determination of whether the acts form part of the ‘same transaction’ can be made post-investigation by the trial court using factors like unity of purpose and design, continuity of action, and proximity of time and place. Complaints by other victims can be treated as statements under Section 161 of the CrPC, without prejudicing their right to file protest petitions.

4. The Supreme Court in ***Nav Nirman Builders and Developers Private Limited through its managing directors Naveen Singh vs. UOI Deputy Directorate of ED***⁶ held that the Special Court cannot exercise jurisdiction under Section 8(7) of the PMLA to confiscate proceeds of crime unless the Adjudicating Authority’s confirmation order in relation thereto (under Section 8(3) of the PMLA) has attained finality. Applying the doctrine of merger, the Supreme Court held that pendency of a statutory appeal under Section 26 of the PMLA before the Appellate Tribunal operates as a deemed embargo on Section 8(7) proceedings under the PMLA, and adjudication of a confiscation application during such pendency is legally untenable as it renders the appellate remedy infructuous.
5. The Supreme Court in ***Ashish Dave vs. State of Rajasthan***⁷ while quashing an FIR observed that the preliminary inquiry provided for under Section 173(3) of the *Bharatiya Nagarik Suraksha Sanhita, 2023* (“BNS”) ought to have been conducted by the police officials to avoid abuse of the criminal justice machinery. The Supreme Court observed that the provision is intended to prevent the mechanical registration of FIRs based on vague, speculative or doubtful allegations, even where such allegations are framed as cognizable offences. The Supreme Court also observed that the judgment in *Lalita Kumari vs. Government of U.P.*⁸, which mandated registration of FIRs if cognisable offences were made out in a complaint, was confined to the narrow context of Section 154 of the CrPC. Section 173(3) of the BNS expands the scope by empowering officers in charge of a police station, with prior permission of a superior officer, to conduct a preliminary inquiry to ascertain whether there exists a *prima facie* case where the complaint alleges offences punishable by imprisonment between three to seven years.
6. The Supreme Court in ***SEBI vs. Terrascope Ventures Limited***⁹ held that diversion of funds raised through preferential allotment for purposes other than those disclosed to investors amounts to fraud under securities law and cannot be cured by subsequent shareholder ratification. Setting aside the Securities Appellate Tribunal’s order, the Supreme Court emphasised the importance of the disclosures made to investors while raising funds, stating that such disclosures are not mere formalities but form the foundation of trust in securities markets. Any diversion of the funds against the objective of the prospective undermines market integrity.
7. A division bench of the Delhi High Court in ***ED vs. M/s Mahanivesh Oils and Foods Private Limited***¹⁰ held that the property purchased from proceeds of crime prior to coming into force of the PMLA can still be attached under the PMLA if the accused continues to remain in possession of the property after the law came into effect. Further, he can be prosecuted under the PMLA.

International developments

In February 2026, Transparency International released the Corruption Perceptions Index 2025 (“CPI 2025”), highlighting a continued decline in global public sector integrity, with the global average score falling to 42 (forty-two), the lowest in over a decade. The Index assessed 182 (one hundred and eighty-two) countries, with over two-thirds scoring below 50 (fifty), underscoring widespread corruption concerns. Denmark, Finland, and Singapore ranked among the least corrupt, while South Sudan, Somalia, and Venezuela ranked lowest. India ranked 91st with a

⁶ 2026 SCC OnLine SC 161 (decided on February 6, 2026)

⁷ 2026 INSC 244 (decided on February 27, 2026)

⁸ (2014) 2 SCC 1

⁹ 2026 INSC 245 (decided on March 17, 2026)

¹⁰ 2026:DHC:2147-DB (decided on March 16, 2026)

score of 39 (thirty-nine), marking a marginal improvement from its 96th position (score of 38 (thirty-eight)) in 2024, indicating limited but incremental progress amid broader global stagnation in anti-corruption efforts.

BALT SAS secures declination for charges under the Foreign Corrupt Practices Act from Department of Justice

In March 2026, the U.S. Department of Justice (“**DOJ**”) resolved a foreign bribery investigation involving Balt SAS, a France-based medical device company, highlighting continued enforcement of the Foreign Corrupt Practices Act (“**FCPA**”) alongside incentives for voluntary self-disclosure. The DOJ declined prosecution under its Corporate Enforcement Policy due to Balt SAS’s self-reporting, full cooperation, and timely remediation, while the company agreed to disgorge approximately USD 1,200,000 (US Dollars one million two hundred thousand) in coordination with the French authorities. Separately, 2 (two) individuals were indicted for a bribery scheme involving payments disguised as consulting fees to influence procurement at a State-owned hospital, underscoring the DOJ’s focus on both corporate compliance and individual accountability.

Release of sanctions list

On January 28, 2026, the United Kingdom Government consolidated all sanctions designations into a single unified list, the UK Sanctions List (“**UKSL**”), replacing the Office of Financial Sanctions Implementation (“**OFSI**”) Consolidated List. The UKSL now serves as the sole authoritative source under the Sanctions and Anti-Money Laundering Act 2018, covering financial, immigration, trade, and transport sanctions. The reform requires businesses to update compliance systems to rely exclusively on the UKSL and introduces changes such as a new ‘Unique ID’ for designated persons, expanded data formats, and enhanced search functionality aimed at improving efficiency and simplifying sanctions screening

White Collar Crimes & Investigations Practice

JSA has a well-established and extensive White-Collar Crimes and Investigations practice which assists clients in dealing with diverse issues, matters and investigations arising in relation to fraud, white collar crimes and violation of internal codes of conduct. We represent and advise domestic and multinationals corporates in India and across the globe. The AWCCI practice also complements our other practice areas which provide legal advice to corporates on diverse matters, including representation before other regulators such as the Reserve Bank of India (RBI), the Ministry of Corporate Affairs (MCA), the Department of Industry Policy and Promotion (DIPP) and the Securities & Exchange Board of India (SEBI) and the Directorate of Enforcement (ED) under the (Indian) Prevention of Money Laundering Act, 2002 (PMLA).

Our white-collar crimes litigation team routinely represent clients from across industries and sectors in different fora including all courts, tribunals and judicial bodies in India, along with arbitrations and other forms of dispute resolution.

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8 Ranked Practices,
22 Ranked Lawyers



15 Practices and
20 Ranked Lawyers



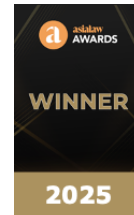
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