



Money Laundering in India: A Multi-Dimensional Advent

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Abstract

Mahatma Gandhi said, “Capital as such is not evil; it is its wrong use that is evil. Capital in some form or other will always be needed.” Money laundering is a worldwide crime that is committed by everyone, whether in developed or developing nations. The first discusses the history of money laundering, how it is carried out in India, and the openly employed money laundering methods there. The final of the study will discuss how money laundering has affected several industries in India, including the banking sector and many others. This study delves deeply into recent case studies involving money laundering in India. Finally, this article discusses the steps India has taken to implement the anti-money laundering regulations as well as the changes that have been made throughout. Additionally, it investigates the money-laundering methods implemented in India, such as the programs for gold mobilisation. The papers conclude with a few modest recommendations regarding the money laundering practices in India. Money laundering is the process of hiding the genuine source of funds that have been obtained through illegitimate means or criminal activity. Money obtained through illegal means is changed into money that appears to have been earned legally through the process of money laundering. The Paper will also make an effort to shed light on how money laundering affects the economy. The Prevention of Money-Laundering Act, 2002, addresses money laundering in India.

Keywords: *Prevention of Money Laundering Act, 2002, economy, money laundering, sources, crime.*

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Introduction

The act of hiding the origin of money acquired illegally is known as money laundering. It involves making it seem as though significant sums of money earned through major crimes, such as drug trafficking or terrorist action, came from a legitimate source.² Money laundering enables criminals to conceal and legitimise the proceeds of their unlawful actions, which makes crime profitable. These illegal funds give criminals the ability to fund a variety of other illegal operations.³ Money laundering also promotes corruption, skews economic judgement, exacerbates social problems, and jeopardises the integrity of financial institutions. The paper will also go over some specific clauses, such as those that deal with property attachment, adjudicating authority, statements made to Enforcement Directorate officials that may be used as evidence,

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²Money Laundering and Its Effect on Indian Economy Finance Essay' (April 2019)

³ Kavita Rani and Sanjiv Kumar, 'Black Money in India- A Conceptual Analysis', University of Rohtak Research, (2014).

arrest and bail, and statements that can be used as evidence.⁴ A comparison between the national perspective and the global viewpoint has been attempted. For the sake of relevancy and conciseness, the paper will, however, primarily focus on the Domestic Scenario. The Paper will then address several significant landmark judgements before examining the judicial outreach.⁵ The Cash An international threat, laundering is on the rise. Many crimes are committed with the intent of making money for the person or group who commits the crime so that they can use it to support other, legal or illegal, actions.⁶ Money is an acknowledged, frequently used unit of measure for the purpose of trade and a tool for conducting economic transactions. In an economy, it is utilised for the selling and purchase of products and services. There are four functions associated with money: medium, measure, standard, and store.⁷ Literally, the word "laundering" means to rinse, clean, or decontaminate anything. Laundry is typically used to describe the procedure of organising filthy clothing.⁸ However, a term with a completely different connotation is derived when it is paired with the word money. Thus, the term money laundering describes the process of converting funds that were once gained from shady means into funds that now appear to have been received through lawful sources. Additionally, it should be recognised that money comes from a variety of sources.⁹ Money laundering is the unlawful act of disguising the source of money gained unlawfully by transferring it through a convoluted series of financial transfers or business dealings. Overall, this procedure insinuates and obliquely returns the clean money to the launderer.¹⁰ Money laundering is a crime that is largely accepted worldwide. Some people utilise it for illicit gain in order to avoid legal action, paying taxes, etc. The purpose of the paper is to discuss what money laundering is and the processes via which illicit funds, or proceeds of crime, become acceptable clean money will next be discussed from a statutory perspective, along with its aspects.¹¹ A law known as the PMLA, 2002 went into effect on July 1st, 2005. The Act deals with the prosecution of offences involving money laundering and its proceeds as well as its prevention.¹² Asset forfeiture is now acknowledged as a crucial component of the country's crime-fighting strategy. Denying criminals the benefits of their crimes will stop them from obtaining power and credibility.¹³ Therefore, the passage of the Prevention of Money Laundering Act (PMLA), 2002 and the Rules thereunder with effect from

⁴Sharma, S., "Independence and Temporality: Examining the PMLA in India", *Journal of Money Laundering Control*, 23(1), pp. 208-223, (2020).

⁵Scott Tuning, 'Money laundering: Stages & Methods' <http://premieroffshore.com/wp-content/uploads/2015/10/Money-Laundering-Guide-for-India.pdf>

⁶ Hemant Singh, 'What is Money Laundering and How is it Done' (Jagran Josh), 2019

⁷ Jose T, 'What is Financial Intelligence Unit of India' (IndianEconomy.net) <https://www.indianeconomy.net/splclassroom/what-is-financial-intelligence-unit-of-india-fiuind/>

⁸ Basics of Anti-Money Laundering & Know Your Customer - M. Ravindran

⁹ Money Laundering in the Insurance Business – Ms. B. Padmaja (May 2006)

¹⁰ Money Laundering - IAIS Guidance Paper on Anti-Money Laundering and Combating the Financing of Terrorism (October 2004)

¹¹ Anti-Money Laundering – Role of Technology – Mr. Vasant Godse (L&T Infotech)

¹² PMLA, 2002

¹³ Ministry of Law and Justice, The Finance (No. 2) Act 2019,

July 1, 2005, has been a significant development in India's legal system. It will be fascinating to investigate any potential effects on corruption and bribery offences in India.¹⁴ The Indian law enforcement community anticipated that the PMLA would be a significant tool in their fight against severe crimes. Section 2 of PMLA defines scheduled offences. Part A of the Schedule; or, if the total amount involved in those offences is thirty lakh rupees or more, the offences listed in Part B of the Schedule;¹⁵ Money laundering is a crime that is defined in Section 3 as follows. Anyone who directly or indirectly tries to partake in, knowingly helps, knowingly participates in, or is genuinely involved in any process or action related to the profits of crime and projects them as pristine property shall be guilty of the offence of money laundering.¹⁶ PMLA offers a framework for the dynamic identification of the offences that call for attention under the money laundering legislation.¹⁷ A number of crimes under the Indian Penal Code (IPC) and those under the Narcotic Drugs and Psychotropic Substances Act, 1985 are mentioned in the schedule.¹⁸

A Brief History of Prevention of Money Laundering Act, 2002

The issue of money laundering was addressed by numerous laws before the PMLA, 2002, was passed.¹⁹

- The Income Tax Act, 1961²⁰
- The Conservation of Foreign Exchange & Prevention of Smuggling Activities Act, 1974²¹
- The Smugglers and Foreign Exchange Manipulator Act, 1976²²
- The Benami Transaction (Prohibition) Act, 1988²³
- IPC, 1860 & CRPC, 1973²⁴
- NDPS, 1985²⁵
- Prevention of Illicit Traffic in Narcotic Drugs & Psychotropic Substances Act, 1988²⁶
- FEMA, 1999²⁷

In 1998, the Prevention of Money Laundering Bill was introduced in the Parliament. Additionally, the Standing Committee on Finance was tasked with reviewing the PMLA Bill. The Lok Sabha received the Standing Committee's report in 1999. After incorporating all of the Standing Committee's recommendations, the Government later proposed the Prevention of

¹⁴ Prevention of Money Laundering Act (PMLA), 2002 and the Rules

¹⁵ Section 2 of PMLA, 2002

¹⁶ Section 3 of the PMLA, 2002

¹⁷ Ibid

¹⁸ Part A of the Schedule Of PMLA, 2002

¹⁹ PMLA, 2002

²⁰ The Income Tax Act, 1961

²¹ The Conservation of Foreign Exchange & Prevention of Smuggling Activities Act, 1974

²² The Smugglers and Foreign Exchange Manipulator Act, 1976

²³ The Benami Transaction (Prohibition) Act, 1988

²⁴ IPC, 1860 & CRPC, 1973

²⁵ NDPS, 1985

²⁶ Prevention of Illicit Traffic in Narcotic Drugs & Psychotropic Substances Act, 1988

²⁷ FEMA, 1999

Money Laundering Bill, 1999, in the Parliament.²⁸ The Prevention of Money Laundering Act, 2002 was created after the President gave his consent to the bill. The Act went into effect on July 1st, 2005.²⁹ It is significant that India's international commitment (Vienna Convention) to tackle the problem of economic crimes like money laundering led to the PMLA's sanctions.³⁰ The other conventions include:

- United Nations Conventions against Illicit Traffic in NDPS, 1988³¹
- Basel Statements of Principles, 1989³²
- Forty Recommendations of the Financial Task Force on Money Laundering, 1990.³³
- Political Declaration and Global Program of Action adopted by UNGA in 1990.³⁴

The primary reason for passing such legislation was to fight against the crime of legalising financial gains from illicit sources. The Indian Government and police authorities are empowered by this Act to take any property they have reason to believe was acquired illegally or through the course of illicit activity.³⁵ The purpose of the PML Act was to stop or prevent the problem of money laundering. Additionally, the goal was to confiscate any property acquired through the money laundering crime as well as for problems associated with it.³⁶

Methodology

This study aims to identify the problems that money laundering has brought about for the Indian economy and how it is being eliminated. This essay will also provide a full examination of the methods and techniques employed in India for money laundering. The research will also examine the measures implemented by the Indian government to combat money laundering, including the anti-money laundering act, as well as the improvements to the money laundering environment and their effects on the Indian economy.

Research Questions

- What are the ways that money is laundered in India?
- The Indian economy has been impacted by money laundering, what exactly?
- How has it impacted the development of the economy?
- How has the Indian government improved its efforts to combat money laundering?
- Detailed examination of laws aimed at preventing money laundering and various forms of it.

Objectives of the Prevention of Money Laundering Act, 2002

To address the problem of money laundering, the Prevention of Money Laundering Act, 2002, was approved. Following are a few of its goals:

²⁸ Directorate of Enforcement Vs. Rajbhusan Dixit and Anr. (2018), <https://www.scobserver.in/wp-content/uploads/2021/10/Note-2-Overview-of-the-PMLA.pdf>

²⁹ The Prevention of Money Laundering Act, 2002

³⁰ Vienna Convention 1988

³¹ United Nations Conventions, 1988

³² Basel Statement of Principles, 1989

³³ Financial Task Force, 1990

³⁴ United Nations General Assembly, 1990.

³⁵ Mudit Kapoor, 'Two Years of Demonetisation: What did the Fight Against Black Money Achieve' Business Today (New Delhi, 8 November 2018)

³⁶ Vijay Kumar Singh, 'Controlling Money Laundering in India - Problems and Perspectives' (Poseidon01.Ssrn. Com, 2009)

- To stop and manage the problem of money laundering.
- To seize or imprison any assets that are possibly linked to or originated from instances of money laundering.
- To charge those responsible with the crime of money laundering.
- For designating the decision-making body and appeals court to handle money-laundering-related issues.
- Making the preservation of records or documents relating to financial transactions mandatory for banking organisations, financial institutions, and intermediaries.
- To handle any other money laundering-related problems.
- To examine the techniques used in India for money laundering.
- To examine how money laundering affects the Indian economy.
- Analysis of the 2002 Prevention of Money Laundering Act.

Significance of the Research

The purpose of this study paper is to raise public awareness of the negative repercussions of money laundering on the Indian economy. The second goal is to ascertain how black money is being collected and used improperly within the system. Additionally, the anti-money laundering Act and other related laws in India will serve as the sole foundation for this research. This research is purely library-based since it will only use a qualitative methodology and the author will further examine Indian precedents. Additionally, it will draw on some of the previously published research papers, theses, journal articles, and other pertinent materials. It would be purposeful to employ Indian enactments as well as Indian texts on money laundering and related subjects. The present anti-money laundering legislation will also be critically examined in this study, as well as how they have changed public opinion and government policy.

Abdul Karim Telgi Case

Abdul saw an opportunity and began printing phoney government stamp papers after learning about the paucity of stamp paper in India. Some government officials assisted Telgi in growing his company throughout India and helped him sell stamp papers for between Rs 10 and Rs 100. The scandal was discovered in 2003 and claimed to be valued at around Rs 30,000 crore in Indian publications.³⁷ In 2003, the incident was reported to Bund Garden Police in Pune. According to Hindustan Times, police in Bhiwandi found counterfeit stamps worth Rs 2,200 crore. However, a special investigation team eventually took over the case, and in 2007, Abdul Karim entered a guilty plea and was sentenced to life in prison as well as a fine of 202 crore rupees. According to The Times of India, he was found guilty of violating IPC Sections 255 counterfeiting government stamps, 256 read with 259 possessing counterfeit government stamps, 468 read with 420 forgeries for defrauding, and 120B criminal conspiracy.³⁸

³⁷ Abdul Karim Telgi dead: How the brains behind multi-crore fake stamp paper scam defrauded India' Firstpost (27 Oct 2017) <https://www.firstpost.com/india/abdul-karim-telgi-dies-how-the-brains-behind-multi-crore-fake-stamp-paper-scam-defrauded-a-nation-4169785.html>

³⁸ Abdul Karim Telgi dead: How the brains behind multi-crore fake stamp paper scam defrauded India' Firstpost (27 Oct 2017) <https://www.firstpost.com/india/abdul-karim-telgi-dies-how-the-brains-behind-multi-crore-fake-stamp-paper-scam-defrauded-a-nation-4169785.html>

Hassan Ali Khan Vs. Union of India

For managing, obtaining, and keeping foreign exchange in an amount equal to RS 36,000,000,000 in Indian currency in his account with the Union Bank of Switzerland, Hassan Ali Khan received notifications for violating sections 3A and 4 of the FEMA.³⁹ He was detained and brought before the special judge PMLA on the basis of these accusations; nevertheless, custody was denied, and he was freed. The Supreme Court dismissed the intrigue along with the special leave petition and disregarded the special judge, PMLA's request, and ordered that the accused person be arrested after noting that the material made immediately available on record revealed that the culpable party had committed an offence in violation of the provisions of the PMLA. The denounced was periodically remanded into detention after that.⁴⁰

Vijay Mallya Money laundering case

Mallya had fled from India to London, and after the businessman made it known that he was living in exile, India asked the UK for its assistance in extraditing him in February 2017. On the grounds that the charges against him are politically motivated and that the loans he defaulted on were obtained to keep the now-defunct Kingfisher Airlines afloat, he resisted extradition. A London court ruled that businessman Vijay Mallya should be extradited to India due to a substantial body of evidence against him. Mallya had immigrated to Britain in March 2016.⁴¹

Bank of Baroda Case

A money laundering scam involving the Bank of Baroda was said to have cost the Baroda bank a total of Rs 6000 crore last year, in 2018. According to the FIU, the bank delayed the recording of 8,822 EFT electronic funds transfer reports and was unable to document EFT reports with regard to exchanges in two separate records. The bank was also accused of failing to recognise and report suspicious exchanges, transfer 8,692 alerts, and conduct compelling customer due diligence on 73 accounts. To put it simply, the bank assisted in this fraud and showed extreme negligence. Within 45 days, the 9 crores fine may have been contested. This was a blatant sign that the Indian government was striving to stop money laundering as much as possible by enforcing stiff fines on the offenders.⁴²

Nikesh Tarachand Shah Vs. Union of India

The Honourable Supreme Court rendered a decision in the aforementioned case. In this case, the Supreme Court made a judgement on the validity of the pre-bail requirements stipulated in Section 45 of the PMLA, 2002. This decision addressed whether the two prerequisites to bail (particularly in cases of white-collar felonies) were constitutional. The Hon'ble Supreme Court in this case invalidated the aforementioned bail preconditions on the grounds that they were in violation of Articles 14 and 21 of the Indian Constitution. As a result, the Special Courts were

³⁹ Section 3 and 4 of FEMA, 1999

⁴⁰ Hassan Ali Khan v. Union of India, CRIMINAL APPEAL NO.1883 OF 2011

⁴¹ Press Trust of India, UK Court Rules Vijay Mallya To Be Extradited: A Timeline Of The Trial, December 10, 2018, <https://www.ndtv.com/india-news/uk-court-rules-vijay-mallya-to-be-extradited-a-timeline-of-the-trial-1960583>

⁴² Bank of Baroda Slapped with Rs 9 Crore Fine over Remittance Scam' The Economic Times (4 April 2018) <https://economictimes.indiatimes.com/industry/banking/finance/banking/bank-of-baroda-cops-rs-9-cr-fine-over-remittance-scam/articleshow/63614655.cms>

given the authority to consider Bail Applications without applying the provisions of Section 45(1).⁴³

Rajbhushan Omprakash Dixit Vs. UOI16

The Hon'ble Delhi High Court ruled in the aforementioned case that the CrPC, 1973 requirements must be followed by the Enforcement Directorate, or ED, which is the prosecution agency under the PMLA, 2002. When the PMLA, 2002 itself does not contain a provision of that nature, this is to be done. Articles 21 and 22 of the Constitution of India, 1950, clearly make this clear. If the PMLA, 2002 is silent on that subject, the Cr PC, 1973 must apply to the offences covered by the PMLA. Sec. 65 of the PMLA, 2002 specifically states that in cases where the PMLA is silent, one may choose to follow or not follow the Cr PC.⁴⁴

PML Maintenance of Records Amendment Rules, 2023

The Department of Revenue under the Ministry of Finance earlier in March 2023 introduced the prevention of money laundering maintenance of records amendment rules, 2023. In accordance with the finance action task force recommendations, these rules expanded the scope of reporting organisations under money laundering provisions to include greater disclosures for non-governmental organisations and classified politically exposed persons under the PMLA.⁴⁵ In addition to the present KYC standards, the new rules compel reporting entities like financial institutions, banking businesses, or intermediaries to declare beneficial owners through papers like registration certificates and PAN card numbers.⁴⁶

PMLA (Amendment), 2002

Politically Active Individual

Politically exposed people are those who have been given prominent public roles by a foreign nation, such as heads of states or governments, senior politicians, senior judicial, military, or government officers, senior executives of state-owned corporations, and significant political party officials, according to a new clause in the amendment rules.⁴⁷

Advantageous Ownership

The updated guidelines have now decreased the bar for identifying beneficial owners by reporting entities, where the client is operating on behalf of its beneficial owner, in accordance with existing provisions of the Income Tax Act, 1961 and the Companies Act.⁴⁸ Previously, the term beneficial owner was defined as someone who owned or had the right to more than 25% of the company's capital, shares, or profits. This criterion of 25% has been dropped to 10%, allowing more indirect participants to be included in the reporting net. The revisions mandate that reporting entities, including banks, other financial institutions, and companies in the real estate and jewellery industries, compile information on any individual or entity that owns 10% or more of their clients.⁴⁹

⁴³ Nikesh Tarachand Shah vs. Union of India, AIR 2017 SC 5500

⁴⁴ W.P.(CRL) 363/2018 & Cr I.M.A. 2151/2018, 16MANU/DE/0734/2018

⁴⁵ <https://ifsca.gov.in/Document/Legal/circular-pml26052023052702.pdf>

⁴⁶ Briefing on 'KYC' Norms and 'AML' Measures for IBA Member Banks – Mr. Sanjeev Singh (June 2006)

⁴⁷ <https://dor.gov.in/sites/default/files/The%20Prevention%20of%20Money-laundering%20Act%2C%202002.pdf>

⁴⁸ Income Tax Act, 1961, Companies Act, 2013

⁴⁹ https://indiacode.nic.in/handle/123456789/2036?sam_handle=123456789/1362

Charitable Organisation

The term non-profit organisation has been broadened to now encompass any organisation or entity created for charitable or religious purposes as defined in Section 2(15) of the Income-tax Act of 1961;⁵⁰ registered as a trust or society under the Societies Registration Act of 1860⁵¹ or any comparable state law; or a company registered under Section 8 of the Companies Act of 2013.⁵² Reporting entities must additionally record the customer's data on the NITI Aayog's Darpan portal if the client is a non-profit organisation.⁵³

Diligent Preparation and Documentation

The required due diligence documentation now includes items like registration certificates, PAN copies, and documents of officers with the power to act on behalf of clients in addition to the more basic KYCs.⁵⁴ It now includes the submission of information, such as the names of persons in senior management positions, partners, beneficiaries, trustees, settlors, and writers, depending on the legal structure of the company. Additionally, clients must now advise financial institutions, banks, or intermediaries of their registered office and principal place of business.⁵⁵

Virtual Currencies and Digital Assets

- Cryptocurrency and other virtual digital assets are now covered by anti-money laundering regulations thanks to the new regulations. A company that deals in virtual digital assets will now be regarded as a reporting entity under the PMLA, in accordance with current regulations.⁵⁶ The amendment will call for the establishment and implementation of PMLA procedures and systems by intermediaries in the crypto ecosystem, including cryptocurrency exchanges, wallets, and other service providers.⁵⁷ These precautions include doing KYC checks while onboarding new customers, keeping client information on file for a predetermined amount of time, keeping an eye on and reporting questionable transactions, and having policies for transaction tracking.⁵⁸ The PMLA currently covers transactions involving virtual currencies and other digital assets:
- The exchange of fiat currency for virtual digital assets and vice versa

⁵⁰ Section 2(15) of the Income-Tax Act of 1961

⁵¹ Societies Registration Act of 1860

⁵² under Section 8 of the *Companies Act of 2013*

⁵³ <https://ngodarpan.gov.in/>

⁵⁴ John Xavier, Why is crypto trade within PMLA ambit? March 12, 2023, <https://www.thehindu.com/business/Economy/explained-why-is-crypto-trade-within-pmla-ambit/article66608444.ece>

⁵⁵ PMLA Review: Supreme Court Agrees to Relook into Aspects of Providing ECIR to Accused & Negation of Presumption of Innocence," Live Law, 25 August 2022.

⁵⁶ Shilpa Mankar Ahluwalia, Bringing Crypto Transactions under the lens of the PMLA: What does this mean for the Market? March 21, 2023, <https://m.economictimes.com/markets/cryptocurrency/bringing-crypto-transactions-under-the-lens-of-the-pmla-what-does-this-mean-for-the-market/articleshow/98829569.cms#:~:text=The%20set%20of%20transactions%20that.of%20virtual%20digital%20assets%20or>

⁵⁷ Aanchal Magazine, Soumyarendra Barik, "Finance Ministry brings crypto assets under Prevention of Money Laundering Act: What are the implications?" March 10, 2023, <https://indianexpress.com/article/explained/explained-economics/crypto-assets-pmla-explained-8486629/>

⁵⁸ Crypto Transactions to come under Anti-Money Laundering Laws, March 9, 2023, <https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/crypto-transactions-to-come-under-anti-money-laundering-laws/article66596205.ece>

- Providing financial services connected to the sale of virtual digital assets by an issuer includes:
- exchanging one or more types of virtual assets; transferring virtual assets;
- safely keeping or managing virtual assets.

Authorities in India look into and prosecute Cases involving Anti-Money Laundering

The Directorate of Enforcement (ED) is the primary government agency in charge of investigating and prosecuting money laundering offences in accordance with the PMLA at the federal level. The Department of Revenue (Ministry of Finance) is where the ED is housed. It has the power to file lawsuits in the designated special court for offences involving money laundering as well as lawsuits for the seizure of property.⁵⁹

Conclusion

It is obvious that the Schedule does not reflect the legislature's objective when it includes offences under the PC Act, ITP Act, and IPC in PMLA. If the law is to be effective in the country's fight against corruption and the exploitation of women and children, this needs to be urgently rethought.⁶⁰ In order to avoid the law's provisions failing to function properly, sections 417–420 of the IPC, section 4 of the ITP Act, and section 13 of the PC Act must be incorporated in the Schedule under the PMLA.⁶¹ Last but not least, tax evasion and the operations of organised crime groups are two important global types of crimes that produce significant amounts of unlawful proceeds of crime. The example in point is the gambling and prohibition laws, which vary from state to state and only carry a nominal punishment.⁶² Many of these are regulated by local and special laws in India. Additionally, there isn't a federal law that prohibits the control of organised crime, such as the Maharashtra Control of Organised Crime Act, which might have served as the cornerstone of the effort to do so.⁶³ New offences like the theft of software and entertainment are not at all covered by the PMLA. These flaws could turn PMLA into a toothless tiger that can amaze onlookers with its roar but lacks the teeth needed to apprehend criminals.⁶⁴ Money laundering poses a severe threat to the financial systems of all nations and undermines their sovereignty and sense of identity. The magnitude that money laundering has started to assume, particularly with regard to the financing of terrorist acts, has

⁵⁹ Naina Bhardwaj, India Amends Anti-Money Laundering Law to Include Accounting Professionals, Company Representatives like Directors, March 12, 2023, <https://www.india-briefing.com/news/india-prevention-of-money-laundering-rules-2023-key-provisions-new-reporting-obligations-27347.html/>

⁶⁰ Agarwal, J. D. and Aman Agarwal Money Laundering: New Forms of Crime, Victimization, presented at the National Workshop on New Forms of Crime, Victimization, with reference to Money Laundering, Indian Society of Victimology, Department of Criminology, University of Madras, India, (2006).

⁶¹ Rajni Arora, "Black Money in India: Present Status and Future Challenges". International Journal of Science, Engineering and Technology Research, 1(5), (2012).

⁶² Gupta, Dr. Anuradha. "Money Laundering and Financing of Terrorism-A Study on Methods to Fight Money Laundering in India and USA". Journal of the Institute of Chartered Accountants of India, Volume 58, No.10, April, 2010

⁶³ Schneider, F. "Money Laundering and Financial Means of Organized Crime: Some Preliminary Empirical Findings". Economics of Security Working Paper 26, Berlin: Economics of Security, (2010).

⁶⁴ Sukanta Sarkar, "The Parallel Economy in India: Causes, Impacts & Government Initiatives". Economic Journal of Development Issues, Volume 11-12 No. (1-2) p.124-134, (2010).

given the fight against it an urgent impetus at both the national and international levels.⁶⁵ Just as it is challenging to determine the scope of money laundering, it is also challenging to quantify the detrimental economic effects of money laundering on economic development.⁶⁶ However, it is evident from the evidence at hand that allowing money laundering activity to continue unchecked is not the best course of action for economic growth because it harms the financial institutions that are essential to economic expansion, lowers productivity in the real sector of the economy by diverting resources and promoting crime and corruption, and can stifle global trade and capital flows to the detriment of long-term economic growth.⁶⁷ Money laundering is increasingly taking centre-stage in all countries as a result of the measures being undertaken to tackle it. A government needs to concentrate on the hot topics of black money and money laundering.⁶⁸ The 2014 Lok Sabha elections in India were won by the BJP, led by Shri Narendra Modi, on the campaign promise to reduce black money and bring it back to India, and the elections for the Delhi Assembly were won by the AAP, led by Mr. Arvind Kejriwal, on the campaign promise to reduce corruption and bring Jan Lokpal to Delhi.⁶⁹ We must recognise that it affects the entire population as well as the nation's government. People need to be made aware of the issue because they don't grasp it themselves. Our educational system ought to be able to instill the idea that the next generation shouldn't participate in this activity.⁷⁰ To send a message that money laundering is not acceptable in this democratic society, there needs to be a vigilant apparatus in place, and our judicial system needs to punish these criminals as soon as possible.⁷¹

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⁶⁵ Vandana Ajay Kumar. "Money Laundering: Concept, Significance and its Impact". *European Journal of Business Management*, 4(2), 2012.

⁶⁶ Anubhav Pandey, 'Impact of Panama leaks on India' iPleaders (26 June 2017)

⁶⁷ Mudit Kapoor, 'Two years of Demonetisation: What did the fight against black money achieve' *Business Today* (New Delhi, 8 November 2018)

⁶⁸ Rahul Deodhar, 'Black Money and Demonetisation' (2016)

⁶⁹ McDowell Jg Novis, 'The Consequences of Money Laundering and Financial Crime' (Hsdl.Org, 2019)

⁷⁰ The Hawala alternative remittance system and its role in money laundering, Interpol General Secretariat, Lyon, (January 2000) - Mr. Patrick M. Jost - United States Department of the Treasury, Financial Crimes Enforcement Network

⁷¹ PMLA Review: Supreme Court Agrees to Relook into Aspects of Providing ECIR to Accused & Negation of Presumption of Innocence," *Live Law*, 25 August 2022,