Piercing through the Corporate Veil

Masoom Agrawal
School of Law, University of Petroleum and Energy Studies
Dehradun, Uttrakhand, India

Vaidehi Pareek
School of Law, University of Petroleum and Energy Studies
Dehradun, Uttrakhand, India

ABSTRACT:

"Corporate crime is a conduct of a corporation or of its employees acting on behalf of corporation, which is prescribed and punished by law"- J. Braithwaite.

In the present era of economization, corporations play an omni-facet role in the society. Due to the emergence of large industrial corporations, the occurrence of criminal activities in the garb of corporate shield has increased many folds. The same has given rise to the need of lifting the corporate veil and pulling out the culprits who intend to harm not only the economy but also have serious intentions to damage the growth.

The challenge in this scenario for the law makers and enactors is to pace up with the crimes occurring in the digital era and analyze the problem that there is still no settled rule when it comes to CCI. With the change in times it is necessary to appreciate that the traditional view of the corporation not being guilty of crime has been proven wrong as in the modern era the corporation and the cunning brains behind it can certainly have the intention and complete the commission of crime too.

In this paper, the researchers aim to bring out how have the changes evolved from the traditional times to the modern frauds. The challenges and solutions regarding the same shall be highlighted. The researchers will also lay emphasis on the traditional and modern cases decided and evaluate as to whether past precedents are enough to address the modern technological corporate crimes.

Keywords: Corporate Crime, Economization, Corporate Veil, Challenges and Solutions.

I. INTRODUCTION

Corporate criminality Liability or bothers our criminal justice framework. It is the characteristic that makes corporate crime an important issue. The development and the improvements of corporate criminal liability have turned into a major issue for the investigators and courts that need to decide the criminal liability. In the customary law world, set up standards in tort law, the English courts perceived corporate criminal liability amidst the only remaining century for statutory offenses where mens rea was not required. In India, the standards of vicarious liability have additionally been reached out to criminal law in a restricted way to specific conditions like break of statutory commitments of a business or other administrative offenses where mens rea isn't fundamental component of crime or where there is liability as an occupier of land as expressed in Section 154 of the Indian Penal Code, 1860. Then again, an expansive number of European Continental Law Countries have not had the capacity to or not been happy to incorporate the idea of corporate criminal liability into their legitimate legal frameworks.

The notion of criminal liability of corporations and organizations has had an alternate advancement under civil law frameworks when contrasted with its improvement under civil law and the common law frameworks. In the

meantime, under the common law or custom-based law frameworks, corporate criminal liability has grown distinctively to mirror the chronicled and the socio- economic substances of various Countries.

The chronicled advancement of corporate criminal liability demonstrates that corporate criminal liability is reliable with the standards of criminal law and the idea of enterprises. Moreover, the improvement of speculations of corporate criminal liability uncovers that criminal liability of enterprises is a piece of an essential "public policy bargain. The bargain balances privileges granted upon the legal recognition of a corporation, such as limited liability of corporate shareholders and the capability of a group of investors to act through a single corporate form, with law compliance and crime prevention pressures on the managers of the resulting corporate entity."[1]The way of source, advancement and use of the hypotheses of corporate criminal liability can be followed from the Roman Era where despite the fact that the idea of criminal liability of the corporate was not acceptable.

Under both criminal and civil law, a firm is straightforwardly and vicariously at risk for wrongs carried out by its agents (managers and other employees) within the ambit of their employment. The liability of the company under this guideline is expansive. For instance, it stretches out to crimes carried out by the company's subordinate agents (which includes salesmen, administrative workers and truck drivers)[2], even when these agents disregard corporate policies, norms and rules or express guidelines.[3] In addition, although culpable agents intends to profit the firm before it is liable, this prerequisite is effectively met if there is any possibility that wrong behavior may increment corporate profits regardless of whether it effects to injure is to harm the firm, when expected corporate sanctions are considered.[4]

In the criminal law, corporate liability decides the degree to which a corporation or a company as a fictitious individual can be obligated for the acts and the omissions of the natural persons it employs. It is now and then viewed as a part of criminal vicarious liability, as particular from the situation in which the wording of a statutory offense explicitly connects liability to the company as the principal or joint principal with a human agent.

II. THE HISTORICAL BACKGROUND OF CORPORATE CRIMINAL LIABILITY

The evolution of corporate criminal liability can be followed in the terms of four stages. This is additionally a chronological record of how the courts overcome the difficulties and the hindrance which was involved in the evolution of the corporate criminal liability:

[1] Richard Gruner, Corporate Criminal Liability and Prevention 2-7,Law Journal Press ed., 2nd Release, 2005,pp. 2-7
[2] Pamela H. Bucy, White Collar Crime: Cases and Materials 192-93 (1992)
[3] United States v. Basic Constr. Co., 711 F.2d 570 (4th Cir. 1983)
[4]United States v. Carter, 311 F.2d 934, 943 (6th Cir. 1963).

- **Public Nuisance -** Courts in England and the United States previously imposed corporate criminal liability in cases including non-feasances of quasi-public corporations, which basically includes municipalities which results into public nuisance.[5]

- **Crimes not requiring criminal intent -** The importance and significance of company's development or growth, courts expanded corporate criminal liability from the public nuisance to the offenses that did not require criminal intention. In Queen v. Great North of England Railways Co. [6] Lord Denman decided that corporations could be criminally obligated for misfeasance and American courts before long started following this pattern.[7] This advancement in the end urged courts to stretch out corporate criminal liability to all crimes not requiring intention.

- **Crimes of intend** – Courts were moderate to stretch out corporate criminal liability to crimes where the intention is involved. Not until New York Central and Hudson River Rail Road Co. v. US[8]in 1909 did the Supreme Court clearly hold a company liable for crimes where the intentions are involved. The propelling element of this outcome was the requirement for compelling implementation of law against corporations. Formation of corporate personality had generally made too huge a vacuum opposite application of criminal law to organizations.

- **Expansion of corporate criminal liability**- Various chronicled developments in Western Europe just as United States additionally added to the development and extension of corporate criminal liability. Anyway a standout amongst the most imperative components favoring criminal liability over civil liability was that the public civil authorities did not have as much authorization control as criminal enforcers did.

III. THE DOCTRINE OF ATTRIBUTION

a) The Origin And Development Of Doctrine Of Attribution

For anybody to be held liable under the criminal law, it is very essential to prove that he had mens rea or the intention to carry out the crime which winds up unfeasible to prove in the event of corporation or a company. The Courts in England concocted the Doctrine of Attribution to pierce this corporate veil[9]. This doctrine proposes that the organization can be held liable if mens rea or the intent to carry out the crime is attribute to

[5]The King v. Inhabitants of Lifton, 101 Eng Rep 280 (KB 1794), Rex v. Inhabitants of Great Broughton, 9B Eng Rep 418 (KB 1771), Case of Lanford Bridge, 79 Eng. Rep. 919 (KB 1635).
[6]115 Eng Rep 1294 (QB 1846).
[7] State v. Morris & Essex Rail Road Co., 23 N J L 360 (1852); see Commonwealth v. Proprietors of New Bedford Bridge, 68 Mass (2 Gray) 339 (1854). American Courts followed English precedents and indicated corporations for affirmative acts (misfeasance) that resulted in public nuisance.
[8]1909. 212 **U.S.** 481
[9] Lennard's carrying co. ltd. Vs. Asiatic petroleum co. ltd (1915)

the individuals who are the "directing mind and will" of the corporation or a company.[10]

The Principle of vicarious liability was generally connected to hold the company's or the corporations liable for the criminal and civil acts done by the employees and the agents of the company's. The companies were fundamentally approached to make good the loss occasioned by its agents when they have acted in their course of employment. Be that as it may, this guideline was not stretched out to pass on the liability of the criminal wrong to corporations. In that capacity, corporation could act without risk of punishment in all such cases.

To praise the loopholes and obstacles, the courts of England penetrated the corporate veil and held that the corporations are subject for criminal and civil wrong if the offenses were perpetrated through the corporation's "Directing mind and will". So through this situation the attribution of liability to the corporations later came to known as the "Doctrine of Attribution".[11]

b) JUDGEMENTS RELATED TO THE DOCTRINE OF ATTRIBUTION

- ***In Lennard's carrying co.ltd vs. Asiatic Petroleum Co. Ltd***.[12]

In this case it was held that an offence which is committed under the Merchant Shipping Act and if the person is held liable for committing such offence. The House of Lords applied the Doctrine of attribution to identify Mr. Lennard, who was the owner of the ship and who was also responsible for the management of the ship, as the 'directing mind and will' of the company.[13]

- ***H.L. Bolton Co. Ltd. Vs. T.J. Graham and Sons[14]***

In this case the Court of Appeals comparedthe companies to a human body and their brains to the directors of the companies and confirmed that the application of the doctrine of attribution to the criminal cases.

IV. INITIAL POSITION OF INDIAN COURTS

- **INDIAN APPROACH TOWARDS DOCTRINE OF ATTRIBUTION**

In India it is basically debatable that the liability of corporations for offences with mens rea as an essential component began, much before the decisions of the Supreme Court in iridium. Indian high courts were basically not inclined towards declaring corporations liable and they even rejected such appeals for punishing companies for the criminal offences.

[10]PrabhleenGurunay, *The directing mind and will test in corporate criminal liability*,INTERNATIONAL JOURNAL OF LEGAL INSIGHT (Apr. 15, 2019, 3:47 PM), http://www.ijli.in/assets/docs/PrabhleenGurunay.pdf
[11] Dinesh BabuEedi, *Doctrine of attribution in corporate criminal liablity*, LAKSHMIKUMARAN AND SRIDHARAN ASSOCIATES (Apr. 24, 2019, 10:13 AM) https://www.lakshmisri.com/News-and-Publications/Publications/Articles/Corporate/Doctrine-of-attribution-in-corporate-criminal-liability
[12][1915] AC 705
[13]*Supra note*- 11
[14][3] [1957]

- **JUGDEMENTS RELATED TO THE APPLICATION OF DOCTRINE OF ATTRIBUTION IN INDIAN COURTS**

State of Maharashtra vs. Syndicate Transportation Co. (AIR1964 Bom 195)[15]

In this case the Bombay High court developed a forward looking approach in this regard and in deciding a case in which a company was charged cheating, criminal breach of trust and dishonest misappropriation, and the court held:

"The question whether a corporate body should or should not be held liable for the criminal action resulting for the acts of some of the individuals must depend on the nature of the offence which is disclosed by the allegations in the complaint or in the charge sheet, the relative position of the officer or the agent vis-à-vis the corporate body and the other relevant facts and the circumstances with could show that the corporate body, as such, meant or intended to commit that act."

Esso Standard Inc. vs. Udharam Bhagwandas Japanwalla (1975 45 Compcas 16 Bom)[16]

In this case the Bombay High Court contended that the law attributes to the company intention of the officers of the company under certain circumstances. The company's intention could be ascertained only when the company in a general body or at the meeting of the board or in accordance with the memorandum or articles of association has expressed that the intention in the form in which it should be expressed.

Sunil Chandra Bannerjee vs. Krishna Chandra Nath (1949) Cal 689[17]

In this case the Calcutta high court acquitted bank, in the basis that a company cannot be said to possess mens rea to cheat and in another case it was held that a company being a jurist person could not be punished.[18]

MV Javali vs. Mahajan Borewell1997(143 CTR (SC) 320[19]

In this case the Supreme Court basically held that mandatory sentence of imprisonment and fine should be imposed where it can be imposed, but where it cannot be imposed namely on a company the fine will be the only punishment. This 'One Size Fits All'[20]approach was dismissed, in one of the cases referred the Supreme Court held that since a company is an artificial person, it cannot be physically punished to a term of imprisonment, but the court also held hat where the statute provides for imprisonment or fine, the court is not

[15] AIR1964 Bom 195
[16] 1975 45 Compcas 16 Bom
[17] (1949) Cal 689
[18]Kusum Products vs. S.K. Sinha 1980 126 ITR 804 Cal.
[19] 1997(143 CTR (SC) 320
[20]*Principles and theories of corporate criminal liability*, SHODHGANGA (Apr. 22, 2019, 8:28 PM) http://shodhganga.inflibnet.ac.in/bitstream/10603/200004/9/09_chapter%203.pdf

given the discretion impose fine in lieu of imprisonment.[21]

V. THE TWIN MODEL OF THE CORPORATE CRIMINAL LIABILITY

DERIVATIVE MODEL

This model is basically an individual Centered model and it deals with the liability of the corporation because an individual who is indulged with the corporation holds some liability through which an individual is to be punished, but as the individual is connected to the corporation the liability is charged on the corporation to having that individual with it and some liability is incurred with it. The derivation model is basically of two types and they are as follows:

a) Vicarious Liability;

b) Identification Doctrine.

- **Vicarious Liability**

The concept of vicarious liability is based on two latin maxims- the first one is, *qui facit per aliumfacit* per se, which basically means that the one who acts through another shall be deemed to have acted on his own will, and the second one is , "respondeat superior" which basically means "let the master answer". In the case of Bartonshill Coal Co. v. McGuire[22], Lord Chelmsford LC said: '*every act which is done by an employee in the course of his duty is regarded as done by his employer's orders, and consequently is the same as if it were his employer's own act*.'

The concept of Vicarious liability generally is applied on civil liability but in the case of Commonwealth v. Beneficial Finance CO.[23], The Massachusetts court held three corporations criminally liable for a conspiracy to bribe, the first company, for the acts of its employee, the second, for the act of its Director, and the third, for the acts of the Vice-President of a wholly owned subsidiary. The Court also considered to believe that corporate criminal liability was necessary since, a corporation is a legal entity which comprising only of individuals. The courts of United States are not the only courts which have incorporated the concept of vicarious liability in the cases of criminal liability, but now this model has been rejected considering it to be unjust to condemn one person for the wrongful conduct of another.

- **Identification Doctrine**

This doctrine is an English law doctrine which tries to identify certain key persons of a corporation who acts in its behalf, and whose conduct and state of mind can be attributed to that of the corporation. In case of Salomon

[21] Asst. Commissioner vs. Vellappa textiles (2003) 11 SCC 40
[22](1858) 3Macq 300.
[23]*State of Maharashtra vs. M/s Syndicate Transport Co. (P) Ltd.* AIR 1964 Bom 195.

v. Salomon & Co.[24] House of Lords held that corporate entity is separate from the persons who act on its behalf. The Courts in England basically holds many important judgments like DPP v. Kent & Sussex Contractors Ltd.[25], R v. ICR Haulage Ltd.[26],in which it was ruled that the corporate entities could be subjected to criminal liability and the companies were held liable for crimes requiring intent. The judgment which deals with the same circumstances like leads to the promulgation of 'identification doctrine'.

As to the liability of these key persons who act on behalf of company, it was held in the case of Moore v. Brisler[27] that the individuals who are identified with the corporations must be acting within the ambit of their employment or authority and the conduct must occur within an assigned in the area of operation and during the course of employment even though particulars may be unauthorized. It will be wise to infer that identification doctrine is narrower in scope than the vicarious liability doctrine, instead of holding corporation liable for act of any employee; identification doctrine narrows it down to certain persons.

ORGANIZATIONAL MODEL

Not at all like subsidiary model which centers around individual, organizational model mulls over corporation. Offenses require mental state (mens rea) to perpetrate a crime alongside physical act (actus reus), yet the issue that emerges while holding corporations criminally at risk is the manner by which a corporation which is juristic individual could have essential mental state to carry out a crime.

Subordinate model was one approach to ascribe mental state to corporation. Other way could be by demonstrating that there existed a domain in the corporation which coordinated, endured, drove on, and even supported the resistance of explicit law which made it offense. In addition, physical act that also is required to finish the necessity of commission of an offense can be gotten rather be demonstrated from the demonstration of its representatives, employees, officers, directors etc. Therefore, culture of a corporation is to be seen while deciding its criminal liability.

Corporate culture may help for commission of an offense requiring mental state by-right off, giving nature or essential consolation that it was accepted by the offender working in the corporation that it was impeccably alright to perpetrate that offense, or corporation has psychologically upheld the commission of offense; furthermore, it is very conceivable that the corporation made a domain which prompted commission of crime. Both ways it was the corporation and its working society that let the offense which could be committed by the individuals.

[24] *Salomon v. Salomon & Co.*, 1897 AC 22: (1895-99) All ER Rep 9 (HL).
[25] *DPP v. Kent & Sussex Contractors Ltd*., (1944) 1 All E.R.119.
[26] *DPP v. Kent & Sussex Contractors Ltd*., (1944) 1 All E.R. 691.
[27] *Moore v. Brisler*, [1944] 2 All ER 515.

VI. ANALYSIS OF CASES REFERRED

Standard Chartered Bank And Others V. Directorate of Enforcement and Others.[28]

This case is related to the corporate criminal laibility, the main issue involved in this case was related to the Section 56(1) of the Foreign Exchange Regulation Act,1973 and in this particular case Standard Chartered was the accused comapny which basically allegingly floated the rules and regulations through itsmanagement of the foreign curreny deposists.

The main issue in the case was that "Whether Standard Chartered, as a corporation, could be held liable under Section 56(1) of the FERA as not less than six months of imprisonment and fine was the minimum punishment that was given under Section 56(1) of the FERA".

The Majority opinion-

The majority individuals interpreted on the lines of earlier case by saying that the penal statute must be constructed and be considered in a strict sense and hence gave a purposive interpretation of the Act.

The court contended that"*The distinction between a strict and a liberal construction has almost disappeared with regard to all classes of statutes so that all statutes, whether penal or not, are now construed by substantially the same rule".* However, the rule of strict construction would not direct to leave loopholes and the hindrances for the offender to escape the liability by giving a pedantic and narrow construction of a section.

The Court further stated that such liberal interpretation involves placing oneself in the chair of a reasonable legislator and hence, the intentions of the legislature at the time of legislating must be consideredwhile interpreting a provision. As this help in knowing what would be the actual intention of the legislature while legislating, if they would have acted and formulated the legislation reasonably. An analysis of the Section 56 was carried out to determine the subjective intention of the legislature by the Court.[29]

It was furtherlead attention by the Court that the legislative intended that the companies should be prosecuted was explicit and clear for the crimes committed by them. It is clearly provided under the Section 56 of FERA that when the amount in the offence exceeds Rs. 1,00,000/- then it is mandatory to punish the accused by both fine and imprisonment. To the Majority, it appeared to be impossible that the legislature proposed that organizations to be penalized for trivial offenses, yet not for more noteworthy offenses. Hence, they argued that the legislator could never have intended such a situation as they wanted to avoid such an impractical situation.

Therefore, the court further divided the offence into two parts (one where the amount in offence exceeds Rs. 1,00,000/- and the other where it do not), so that the imprisonment of a company could avoid into trivial matters

[28]AIR 2005 SC 2622
[29]Standard Chartered Bank And ors v Directorate Of Enforcement And ors., AIR 2005 SC 2622

which would be an unsuitable situation. Thus, harmonious understanding was adopted by the Court to provide for the company to be fined while citing *Javali*case.

Under FERA there is no clause provided for the term of a person. Hence, the Court referred and considered the definition provided under the Indian Penal Code, 1860, and the General Clauses Act, 1897,which was considered as another measure of the intentions of the legislature, so that the companies and the corporations could be included within the ambit of person. Therefore, the Court also contended that the legislature should have been aware that a juristic individual or a person cannot be punished with imprisonment and the legislature would have intended that for punishing companies only fine should be used.

A judgment under similar facts and circumstances was cited in the United States Supreme Court in *United States v. Union Supply Co*[30].In which the court contend that Justice Balakrishnan wherein, the company was punished with fine.

The Minority Opinion

Under the minority opinion- Justice Srikrishna collectively delivered the minority opinion by upholding the judgment in *Velliappa* case and gave a strict literal interpretation to the statute while refusing to impose a liability on Standard Chartered. This statement shows the approach of the judges in the case:

> ***"The Court cannot act as a sympathetic caddie who nudges the ball into the hole because the putt missed the hole. Even a caddie cannot do so without inviting censure and more andIf the legislation falls short of the mark, the Court could do nothing more than to declare it to be thus, giving its reasons, so that the legislature may take notice and promptly remedy the situation."***[31]

They further stated that it is not the court's duty to fill up the differences between the statute and the explanation given by the majority opinion will result to a legislative act impersonate as a judicial one which is in fact out of the powers and authorities of the Court.Hence, it is not legitimate to read "fine and imprisonment" as "fine or imprisonment" as it would amount to rephrase the Section 56[32] of FERA.

They discredited the likelihood of interpreting the statute according to the circumstances by imposing both the fine as well as the imprisonment on natural persons, while refusing to impose solely a fine on companies.Furthermore, it was also stated that the use of the word *'shall'* in the provision to impose a penalty in the form of imprisonment and fine had the effect of applying the dual punishment, of a prison sentence and a fine, compulsory and binding. Finally, it was asserted that the adage *'lex non cogit ad impossibilia'*, literally means that the law cannot contemplate or take cognizance of an act that is impossible. Therefore, this maxim

[30]UNITED STATES V. UNION SUPPLY CO., 215 U.S. 50 (1909)
[31]Asstt. Commissioner vs VelliappaTexiles ltd (16th September,2003)
[32]Section 56, The Foreign Exchange Regulation Act, 1973

would only have potent value, in conclusive the court to lay down that sentencing a company or corporation is practically not possible to achieve. It was alsoconsidered that the above maxim**,** on its own, basically does not grant liberty to any of the judicial institution to dissect the section as per their own convenience and apply it selectively.

The *Motorola*case[33]

Although the *Standard Chartered judgment* has been a landmark ruling on deciding how to construe penal statutes, the same failed to clarify that whether a corporation could be held liable and punished for a crime, that otherwise requires *mens rea*which is "Intention" as a necessary element to qualify as a crime. This issue was addressed and answered in the *Motorola judgment*.

In this case, the apex court basically discussed the *Doctrine of Attribution*. However, which set this particular discussion apart from others on the same issue was that the instant discussion revolved around determining the liability of the company, and not that of the directors.It was further laid down that a company would also be held criminally liable only in the situation when the offence was committed by an individual or group of individuals who were in charge of managing the affairs of the company or controlling it which basically are the employees, agents and even the promoters of the company. Further, this *'control*' exercised by the individual/s could be equated to them being the 'directing mind and will' of the corporation.The court then discussed the *'alter ego'* principle and held that if the prior mentioned conditions were fulfilled, then such *mens rea* could be assigned to the company and as a consequence, it could be held criminally liable.

In this not only this but the judges also held that the Doctrine of Attribution is not limited to the wrongful acts committed by the Directors of a company. In fact, it could also be extended to cover acts committed by the promoters of the company, who significantly control the important affairs of a company, hiding behind the veil of a corporation and who also plays a very important role in the company. The test is to identify the 'mind and will' of the individual with respect to the company and applied even to such cases where there are more than one layer above the controlled company.

VII. AUTHOR'S CRITIQUE AND CONCLUSION

The Law Commission in its 41st report recommended for fining of companies for the offences providing for "fine and imprisonment" by amendment in Section 62 of the Indian Penal Code, 1860 which was upheld in the 47th Law Commission Report. Furthermore, the Law Commission in its 47th report went a step further and said that the Courts should impose an appropriate fine on the Company even in the cases where the punishment provided was only imprisonment.[34]

[33]Iridium India Telecom Ltd vs Motorola Incorporated &Ors on 20 October, 2010

The Court in the *Standard Chartered* case has refused to punish the company with imprisonment for petty offences and hence, has rightly refused a diligent reading of Section 56(1) of the FERA. The basic principle of the criminal jurisprudence states that, offences should be punished taking into account the extent of wrong doing and harm involved and such a pedantic reading would surely go against the basic principle.[35]

Therefore, the author observes that the majority opinion in the *Standard Chartered* case have not outreached their judicial mandate as feared by the minority. They have used their common sense while determining the subjective intent of the legislature and have infused the same into the legislation. They have rightly departed from the somewhat clandestine rule of strict interpretation of penal statutes and have just given effect to the intention of the legislature which shows the true meaning or construction which should be given to the legislation.

Motorola case is also an important case which projects a way to regulate the company's behavior through criminal punishments. But, the Supreme Court in the *Motorola* case have not specified the way by which *mens rea* can be proved by the prosecution.

With the passage of time the position of the Courts in India has been evolved to keep in check the activities of the companies and Multi-National corporations which are very important in this era of globalization. Thus, the Courts are moving forward as can be seen by the *Standard Chartered* and *Motorola* cases to set a proper position on Corporate Criminal Liability.

In the Iridium case[36], the Supreme court had discussed the doctrine of Attribution to basically determine the liability of Motorola Inc. this doctrine is applicable not only for the acts committed by the directors of the company, but also for the acts committed by the company through its promoters, who are controlling the affairs of the company and The acid test is to determine the "mind and will" of the controlling person vis-'a- vis the controlled company and is valid even two or more layers above the controlled company exists.

At last in the conclusion, it can be conferred that basically the decision clarifies the position on criminal liability of a company and the possibility of criminal intent, the prosecution of officers of the company or promoters for the criminal acts of the company would basically depend on the facts as well as the circumstances of each case and is likely to be applied widely.[37]

[34] Law Commission of India, Forty-Seventh Report on The Trial and Punishment of Social and Economic Offences, p 8.3.
[35] RatanlalRanchhoddas and DhirajlalKeshavlalThakore, .*RATANLAL AND DHIRAJLAL'S THE INDIAN PENAL CODE*(Chandrachud, Y.V. and Manohar, V.R eds, 2010.) p. 239; State of Punjab v. Man Singh AIR 1983 SC 172.
[36] *Supra note- 30*
[37] *Supra note- 11*