

Forensic Investigation with reference to INX Media Case in India

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Abstract

The INX Media case refers to an ongoing high-profile money laundering investigation in India. It involves allegation of irregularities in foreign exchange clearances given to INX Media group for receiving overseas investment in 2007. P. Chidambaram was union finance minister at that time. His son Karti Chidambaram has been implicated by the investigating agencies. . The ED recently arrested Mr. Chidambaram for custodial interrogation, extending deprivation of his liberty even further. This paper focuses on how the investigating agencies probe into the allegations charged against them and collected the documentary evidence through forensic auditing and investigation.

Key words: Forensic Investigation, Forensic Auditing, Forensic Accounting, INX Media, ED

1. Introduction

Forensic Auditing/Accounting has played a major role in the 21st century for detecting the fraudulent companies. Mostly the financial crimes are found by using investigations methods such as interview and interrogation on the companies and the accused dealing with the fraudulent activities. Through the request for investigation on suspicion from the top management, Whistle-blowers or auditors the financial crime signs can be detected.

Investigation is an important method of finding the truth for an allegation to ascertain through structured documents and testimony as evidence the search and come to conclusion to the particulars of the complex situation. Investigation aids in determining the true hidden nature of the event alleged through the surveillance and verification of the financial records. There are different types of investigation: Fraud Investigation, where a suspicion of fraud by the company marketing a fake product through advertisement and fooling the clients is investigated by the Forensic accountants and auditors. Second, the financial statement fraud occurs when the financial statement of the company is altered, has any misstatement, omission of transaction, misapplication of financial reporting standards, non-disclosure of the balance due or balance obtained,