



ECONOMIC CRIMES, TYPES OF ECONOMIC CRIMES IN INDIA AND LAWS DEALS WITH ECONOMIC CRIMES.

LOKKU SUCHITHA

5TH YEAR BBA.LLB,KL (DEEMED TO BE) UNIVERSITY,VADDESHWARAM

ABSTRACT

Crimes which have financial in nature can be termed as economic crimes, There are different types of economic crimes like corruption , cyber economic crimes ,money launderings , smuggling etc. they are so many laws which are deals with the economic crimes are follows; Indian penal code , prevention of corruption act , customs act ,income tax act 1961,code of criminal procedure ,1973 ,smugglers and foreign exchange manipulators act 1976 ETC .

INTRODUCTION

The term economic crimes include those crimes which are economic in nature. Economic crimes are also known as financial crimes is to earn economic gain .these are illegal acts committed by an individual or group of people to obtain financial or professional advantages. In simple words, economic crimes are frauds which are committed for financial gains. These crimes are different from the other crimes, They do not directly affect the physical state of the person aggrieved. These economic crimes not only affect the individual but also affect or damage the economy of the country and growth and development of the nations there to.

TYPES OF ECONOMIC CRIMES

Economic crimes in India can be divided in to three categories;

- I. Traditional economic crimes like corruption, smuggling etc.
- II. Emerging technological economic crimes like credit card frauds, cybercrimes etc.

- III. Crimes through which proceeds of transnational organized crime are transmitted abroad like money laundering.

These categories of crimes include certain crimes that are described as under;

CORRUPTION :

General Meaning of corruption is dishonest or fraudulent conduct by those in power. Corruption is a dishonest , fraudulent or other criminal activities .it is done for to earn money . Generally it is done by fraudster who may work in a group or may be alone to carry out such activities. The objective of such activities may be to gain money which is illegitimate and unlawful benefits and advantages. The main reason for corruption is greed.

Smuggling:

General meaning of smuggling is illegal movement of goods into or out of a country. Smuggling , which consists of clandestine operations leading to unrecorded trade, is one of the major economic crimes. Smuggling in its broader sense even includes drug trafficking, smuggling of migrants and trafficking of persons.

Tax evasion-

Tax evasion is an illegal activity in which a person or entity deliberately avoids paying a true tax liability.

Cyber economic crimes;

Cybercrimes is also known as computer crimes, the use of a computer as an instrument to further illegal ends, such as committing frauds ,cyber stalking ,cyber bullying , online harassment, hacking, etc.

Crime economic crimes can be defined as the offense against individual or group of individuals or organization with intention to cause economic harm with use of computer network, internet, phone or other technologies .

Classification of cyber economic crimes;

- I. cyber economic terrorism
- II. cyber economic extortion
- III. Cyber warfare.
- IV. Espionage on security breach.

Credit card fraud;

Unauthorized access and use of another person credit card.

Most of credit card fraud is committed by using counterfeited cards , which are pre-embossed or re-encoded.

Money laundering

It may be termed as a scheme through the real and true initiation of money is concealed and is hidden.

Huge and heavy funds as illegally gained and the entrance of consuming is created from a genuine cause.

Law deals with economic crimes in India

The following are the law and regulations under which punishment has been mentioned or defined for economic crimes.

INDIAN PENAL CODE 1860;

Section 405 of IPC; criminal breach of trust

“Whoever, being in any manner entrusted with property, or with any dominion over property, dishonestly misappropriates or converts to his own use that property, or dishonestly uses or disposes of that property in violation of any direction of law prescribing the mode in which such trust is to be discharged, or of any legal contract, express or implied, which he has made touching the discharge of such trust, or willfully suffers any other person so to do, commits criminal breach of trust.”

Section 406 of IPC deals with punishments for criminal breach of trust.

“Whoever commits criminal breach of trust shall be punished with imprisonment of either description for a term which may extend to 3 years or with fine or with both.”

Section 415 of IPC; cheating

“Whoever, by deceiving any person, fraudulently or dishonestly induces the person so deceived to deliver any property to any person, or to consent that any person shall retain any property, or intentionally induces the person so deceived to do or omit to do anything which he would not do or omit if he were not so deceived, and which act or omission causes or is likely to cause damage or harm to that person in body, mind, reputation or property, is said to “cheat”.”

Section 417 of IPC deals with punishments for cheat; “Whoever cheats shall be punished with imprisonment of either description for a term which may extend to one year, or with fine, or with both.”

Provisions narrated in very important act “prevention of corruption act 1988”

Section 13 of the prevention of corruption act 1988-criminal misconduct by a public servant.

“(1) A public servant is said to commit the offence of criminal misconduct,

(a) if he habitually accepts or obtains or agrees to accept or attempts to obtain from any person for himself or for any other person any gratification other than legal remuneration as a motive or reward such as is mentioned in section 7; or

(b) if he habitually accepts or obtains or agrees to accept or attempts to obtain for himself or for any other person, any valuable thing without consideration or for a consideration which he knows to be inadequate from any person whom he knows to have been, or to be, or to be likely to be concerned in any proceeding or business transacted or about to be transacted by him, or having any connection with the official functions of himself or of

any public servant to whom he is subordinate, or from any person whom he knows to be interested in or related to the person so concerned; or

(c) if he dishonestly or fraudulently misappropriates or otherwise converts for his own use any property entrusted to him or under his control as a public servant or allows any other person so to do; or

(d) if he,— (i) by corrupt or illegal means, obtains for himself or for any other person any valuable thing or pecuniary advantage; or

(ii) by abusing his position as a public servant, obtains for himself or for any other person any valuable thing or pecuniary advantage; or

(iii) while holding office as a public servant, obtains for any person any valuable thing or pecuniary advantage without any public interest; or

(e) if he or any person on his behalf, is in possession or has, at any time during the period of his office, been in possession for which the public servant cannot satisfactorily account, of pecuniary resources or property disproportionate to his known sources of income. Explanation.—For the purposes of this section, “known sources of income” means income received from any lawful source and such receipt has been intimated in accordance with the provisions of any law, rules or orders for the time being applicable to a public servant.

(2) Any public servant who commits criminal misconduct shall be punishable with imprisonment for a term which shall be not less than one year but which may extend to seven years and shall also be liable to fine.”

Section 9 of the central excise act, 1944 –offences and penalties

“ (1)] Whoever commits any of the following offences, namely:— 2[(a) contravenes any of the provisions of section 8 or of a rule made under clause (iii) or clause (xxvii) of sub-section (2) of section 37;

(b) evades the payment of any duty payable under this Act; 3[(bb) removes any excisable goods in contravention of any of the provisions of this Act or any rule made thereunder or in any way concerns himself with such removal;

(bbb) acquires possession of, or in any way concerns himself in transporting, depositing, keeping, concealing, selling or purchasing, or in any other manner deals with, any excisable goods which he knows or has reason to believe are liable to confiscation under this Act or any rule made thereunder;] 4[(bbbb) contravenes any of the provisions of this Act or the rules made thereunder in relation to credit of any duty allowed to be utilised towards payment of excise duty on final products;]

(c) fails to supply any information which he is required by rules made under this Act to supply, or (unless with a reasonable belief, the burden of proving which shall be upon him, that the information supplied by him is true) supplies false information;

(d) attempts to commit, or abets the commission of, any of the offences mentioned in clauses (a) and (b) of this section; 5[shall be punishable,—(i) in the case of an offence relating to any excisable goods, the duty leviable thereon under this Act exceeds one lakh of rupees, with imprisonment for a term which may extend to seven years and with fine: Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court such imprisonment shall not be for a term of less than six months;

(ii) in any other case, with imprisonment for a term which may extend to three years or with fine or with both.] 6[(2) If any person convicted of an offence under this section is again convicted of an offence under this section, then, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to seven years and with fine: Provided that in the absence of special and adequate reasons to the contrary to be recorded in the judgment of the Court such imprisonment shall not be for a term of less than six months.

(3) For the purposes of sub-sections (1) and (2), the following shall not be considered as special and adequate reasons for awarding a sentence of imprisonment for a term of less than six months, namely:— (i) the fact that the accused has been convicted for the first time for an offence under this Act; (ii) the fact that in any proceeding under this Act, other than a prosecution, the accused has been ordered to pay a penalty or the goods in relation to such proceedings have been ordered to be confiscated or any other action has been taken against him for the same act which constitutes the offence; (iii) the fact that the accused was not the principal offender and was acting merely as a carrier of goods or otherwise was a secondary party in the commission of the offence; (iv) the age of the accused.]”.

Section 276 c of income tax act ,1961-“ Wilful attempt to evade tax, etc.(1) If a person wilfully attempts in any manner whatsoever to evade any tax, penalty or interest chargeable or imposable under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable,- (i) in a case where the amount sought to be evaded exceeds one hundred thousand rupees, with rigorous imprisonment for a term which shall not be less than six months but which may extend to seven years and with fine; (ii) in any other case, with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and with fine.(2) If a person wilfully attempts in any manner whatsoever to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable with rigorous imprisonment for a term which shall not be less than three months but which may extend to three years and shall, in the discretion of the court, also be liable to fine. Explanation.- For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person-(i) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement; or(ii) makes or causes to be made any false entry or statement in such books of account or other documents; or(iii) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or(iv) causes any other circumstance to exist which will have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.]”

“Smugglers and foreign exchange manipulators (forfeiture of property) act 1976”

“Narcotic drugs and psychotropic substances act ,1985”

“Section 7 of the prevention of corruption act ,1988-public servant taking gratification other than legal remuneration in respect of an official act.”

“Section 452 of the code of criminal property at the conclusion of a trial .”

Leading cases of economic crimes

1.Satyam scam ;the great corporate scam ; Satyam scams was carried out between 2003 and 2008 and were allegedly involving 5000 crore fraud. Chairman of Satyam Mr. Ramalingam Raju was perpetrator of fake cash balances, fake revenues and margins. In April 2009, Raju and other 9 were sentenced to jail and Mahindra group acquired the satyam and it was merged with Mahindra tech in 2013.The modus operandi of Raju was fake balance sheet and FDRs, managing with the auditors, playing with the fake balance sheet figures in the market.

2. DHFL Scam Rs. 31000 crores public money was allegedly siphoned off by DHFL as multiple shell companies were formed to transfer the loans and investment without declaration to corporate ministry.

3.VIJAYMALLAYA case ; VIJAYMALLAYA was CEO kingfisher airlines it was strated in 2005.kingfisher airlines was grounded in 2012 after debt burden made it impossible to continue airline operations. The airlines is also being investigated for suspected diversion of funds and financial irregularities.

Vijay Malaya has made a consortium of banks to 9990 crore rupees. Vijay Malaya was in dynamic cooperation u/s 3 of avoidance of tax evasion act 2002 which furnishes 3-7 years detainment with 5 lakh fine. As of now the alcohol noble Vijay Malaya is under the care of UK court and CBI is attempting to get the guardianship of Vijay Malaya under removal settlement.

DRT requested in January 2017 together and severally responsible for 6203 crores with 11.5% premium. Vijay Malaya on the substance of late financial violations in gave the discussion of town and he is ex resident of India for UK has been presently changed over into political dramatization too.

He, at the end of the day, is an extraordinary dramatization entertainer over twitter and online media. Such countless tweets he does which has no solid implications like, I am prepared to pay the obligations yet Indian government isn't tolerating. Take the cash 100% and lift every one of the charges and so forth.”

REFERENCES LINKS

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