Paper on:

# THE SCENARIO OF ECONOMIC OFFENCES AFTER THE INTRODUCTION OF BHARATIYA NYAYA SANHITA, 2023 AND CHALLENGES BEFORE THE COURT

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***Economic offences are offences which corrode the fabric of democracy and are committed with total disregard to the rights and interest of the nation and are committed by breach of trust and faith and are against the national economy and national interest.***

***- Malvinder Mohan Singh v. State, 2020 SCC OnLine Del 2001***

## INTRODUCTION

Economic offences, often broadly categorized under the umbrella of white-collar crimes, represent a distinct and highly sophisticated genus of criminality. Unlike conventional crimes, which typically involve physical violence or direct injury to a specific individual, economic offences target the financial fabric of society, systemic institutions, public exchequers, and fiduciary networks. Sociologist Edwin Sutherland historically defined white-collar crime as a *"crime committed by a person of respectability and high social status in the course of his occupation"*. In the contemporary landscape, this definition has expanded to encompass structural, corporate, and technology-driven operations executed by networks that exploit the cracks within regulatory frameworks.

The socio-economic impact of these offences is widespread. A single institutional collapse, Ponzi scheme, or large-scale bank fraud can wipe out the life savings of thousands of citizens, destabilize micro-economies, and erode public trust in regulatory institutions. As developing economies integrate with digital banking, virtual asset exchanges, and global supply chains, financial crimes have transitioned from paper-based document manipulation to lightning-fast algorithmic operations. This rapid evolution has placed an immense burden on the State's legal infrastructure, requiring a continual reassessment of penal codes and procedural laws to maintain systemic deterrence.

*"Economic crimes are a manifestation of criminal acts done either solely or in an organised manner with or without associates or groups with an intent to earn wealth through illegal means, and carry out illicit activities violating the laws of the land, other regulatory statutory provisions governing the economic activities of the Government and its administration."*

- Crime in India, NCRB, Govt. of India

Once popularly known as "white collar crime" by virtue of the fact that it can be indulged in by a person of responsibility (holding an office) in the course of occupation, these forms of crime were known to cover cheating, fraud, larceny criminal misappropriation, embezzlement, criminal breach of trust, and to some extent forgery, corruption and counterfeiting. Considering the profound economic changes and directions, these forms of crime have taken a hydra-headed transformation as economic crimes, encompassing many more new generation crimes from misappropriation to money laundering, from simple fraud to floating fictitious firms, from breach of trust to bank manipulations. Thus in form and content, crime would appear to be dynamic and ever-changing.

When it comes to defining "economic crime", there appears to be an agreement that it cannot be defined precisely, comprehensively and wholly acceptably. There are as many definitions as there are countries, with each one correct in themselves and based on the perceptions as well as experiences in dealing with these forms of crimes already manifested and manifesting. The sheer diversity of such crime makes us appreciate that it can be defined infinitely. This would only go to project the scope and extent to which economic crimes have become all pervasive universally. As far as criminality is concerned, these economic offences, while bearing similarity to traditional offences, constitute a separate class by virtue of their scale and dimension, modus operandi, and in making individuals, state and the society as collective victims of financial loss.

## INADEQUACIES OF THE INDIAN PENAL CODE (IPC), 1860

For over a century and a half, India's primary weapon against criminal acts was the Indian Penal Code (IPC), 1860. While IPC was a remarkably durable piece of colonial legislation, its fundamental design reflected a mid-19th century agrarian and early industrial economy. The authors of the code could not have foreseen the rise of shell company clustering, layered hawala transactions, data theft, or complex market manipulations. Consequently, when confronted with modern corporate scams or cyber-enabled financial fraud, the judiciary was forced to rely on broad, generic penal provisions.

For example **S. 420 (Cheating)**: Used as a catch-all provision for everything from simple consumer misrepresentations to multi-crore real estate and investment scams.

**S. 409 (Criminal Breach of Trust by Public Servant, Banker, or Agent)**: Routinely invoked to address corporate embezzlement and insider fraud, though its archaic language lacked explicit definitions for modern corporate fiduciary roles.

**Ss. 467 and 468 (Forgery)**: Applied to electronic records via subsequent modifications, yet struggled to address the challenges of decentralized digital identities and programmatic spoofing.

The structural limitation of IPC lay in its focus on individual liability and specific, tangible property. It lacked the necessary framework to address organized economic syndicates that operate across borders without a singular physical location. This lack of legal precision resulted in protracted trials, complex procedural loopholes, and low conviction rates, highlighting the need for a comprehensive structural overhaul.

As a result, special Acts like Negotiable Instruments Act, Reserve Bank of India Act, Central Excise Act, Customs Act, Prohibition of Benami Property Transactions Act, Prevention of Corruption Act, Securities and Exchange Board of India Act, Prevention of Money Laundering Act, Limited Liability Partnership Act, Foreign Contribution (Regulation) Act, Companies Act, Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, Insolvency and Bankruptcy Code and Central Goods and Services Tax Act were enacted to cater to specific kinds of crimes.

## Provisions of Bharatiya Nyaya Sanhita, 2023 regarding Economic Offences

The Bharatiya Nyaya Sanhita, 2023 (BNS) transforms India in terms of criminal law, particularly the treatment of economic crime. The BNS replaces the colonial Indian Penal Code of 1860 and establishes a contemporary and holistic system to cope with such white-collar and financial crimes as forgery, counterfeiting, hawala transactions, and organised financial fraud. For example, S. 111 BNS defines “organized crime” as a distinct national crime with complex types of economic fraud, and S. 316 redefines what constitutes a criminal breach of trust as extending to fiduciary abuse both publicly and privately.

### Cheating and Inducement

Under the IPC, S. 420 was the standard tool for prosecuting fraudulent deceptions, and this has been replaced by S. 318 in BNS. Specifically, S. 318(4) maintains the core elements of cheating and dishonestly inducing the delivery of property, but integrates seamlessly with modern definitions of intangible assets and electronic mediums. The penalty has been aligned with stricter financial guidelines, allowing courts to combine imprisonment with substantial fines designed to scale with the economic damage caused.

## Criminal Breach of Trust

S. 316 BNS replaces Ss. 405 through 409 IPC. It establishes a clear, tiered approach to sentencing based on the nature of the offender's fiduciary duty. Under S. 316(5) BNS, if a criminal breach of trust is committed by a public servant, banker, merchant, factor, broker, attorney, or agent, the statute permits severe deterrence, including imprisonment for a term that may extend to life or up to ten years, alongside mandatory financial penalties. This consolidation ensures that corporate executives, fund managers, and banking officials face clear, direct accountability within the primary penal code, reducing the need to rely on disjointed interpretations of legacy sections.

## Forgery and Document Counterfeiting

The relevant provisions have been consolidated within Chapter XV of BNS (Ss. 335 to 344). They cover making false documents, forgery, forgery of official records, forgery of valuable securities and wills, possession of forged documents, using forged documents, counterfeiting seals and instruments, counterfeiting authentication devices, document destruction and fraud, and falsification of accounts. These provisions were also contained in IPC.

The Schedule to the National Investigation Agency Act, 2008 was amended by the Amending Act 16 of 2019, and the jurisdiction of special courts under S. 13 of the Act was expanded to the cover the following provisions of IPC:

a. Chapter VI of the Indian Penal Code (45 of 1860) [Sections 121 to 130 (both inclusive);
b. Sections 370 and 370-A of Chapter XVI of the Indian Penal Code (45 of 1860);
c. Sections 489-A to 489-E (both inclusive) of the Indian Penal Code (45 of 1860);

Therefore, offences related counterfeiting now come under the jurisdiction of Special Courts under this Act.

## S. 111 BNS Organized Crime

The most significant structural innovation in BNS regarding financial crime is the introduction of this section, which formally codifies "Organized Crime" within general penal law. Historically, organized crime was only addressed through sporadic, specific legislations. S. 111 nationalizes these protections, establishing a uniform standard across the country. The provision is as follows:

> "**111. Organised crime**.—(1) Any continuing unlawful activity including kidnapping, robbery, vehicle theft, extortion, land grabbing, contract killing, economic offence, cyber-crimes,

trafficking of persons, drugs, weapons or illicit goods or services, human trafficking for prostitution or ransom, by any person or a group of persons acting in concert, singly or jointly, either as a member of an organised crime syndicate or on behalf of such syndicate, by use of violence, threat of violence, intimidation, coercion, or by any other unlawful means to obtain direct or indirect material benefit including a financial benefit, shall constitute organised crime.

*Explanation*.—For the purposes of this sub-section,—

(*i*) "organised crime syndicate" means a group of two or more persons who, acting either singly or jointly, as a syndicate or gang indulge in any continuing unlawful activity;

(*ii*) "continuing unlawful activity" means an activity prohibited by law which is a cognizable offence punishable with imprisonment of three years or more, undertaken by any person, either singly or jointly, as a member of an organised crime syndicate or on behalf of such syndicate in respect of which more than one charge-sheets have been filed before a competent Court within the preceding period of ten years and that Court has taken cognizance of such offence, and includes economic offence;

(*iii*) "economic offence" includes criminal breach of trust, forgery, counterfeiting of currency-notes, bank-notes and Government stamps, *hawala* transaction, mass-marketing fraud or running any scheme to defraud several persons or doing any act in any manner with a view to defraud any bank or financial institution or any other institution or organisation for obtaining monetary benefits in any form.

(2) Whoever commits organised crime shall,—

(*a*) if such offence has resulted in the death of any person, be punished with death or imprisonment for life, and shall also be liable to fine which shall not be less than ten lakh rupees;

(*b*) in any other case, be punished with imprisonment for a term which shall not be less than five years but which may extend to imprisonment for life, and shall also be liable to fine which shall not be less than five lakh rupees.

(3) Whoever abets, attempts, conspires or knowingly facilitates the commission of an organised crime, or otherwise engages in any act preparatory to an organised crime, shall be punished with

imprisonment for a term which shall not be less than five years but which may extend to imprisonment for life, and shall also be liable to fine which shall not be less than five lakh rupees.

(4) Any person who is a member of an organised crime syndicate shall be punished with imprisonment for a term which shall not be less than five years but which may extend to imprisonment for life, and shall also be liable to fine which shall not be less than five lakh rupees.

(5) Whoever, intentionally, harbours or conceals any person who has committed the offence of an organised crime shall be punished with imprisonment for a term which shall not be less than three years but which may extend to imprisonment for life, and shall also be liable to fine which shall not be less than five lakh rupees:

Provided that this sub-section shall not apply to any case in which the harbour or concealment is by the spouse of the offender.

(6) Whoever possesses any property derived or obtained from the commission of an organised crime or proceeds of any organised crime or which has been acquired through the organised crime, shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to imprisonment for life and shall also be liable to fine which shall not be less than two lakh rupees.

(7) If any person on behalf of a member of an organised crime syndicate is, or at any time has been in possession of movable or immovable property which he cannot satisfactorily account for, shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to imprisonment for ten years and shall also be liable to fine which shall not be less than one lakh rupees."

S. 111(1)(ii) explicitly addresses economic offences within its definition of organized crime. To attract this section, the offence must be committed by a group or syndicate, rather than an isolated individual acting alone, the syndicate must be shown to have engaged in an ongoing series of illegal acts, and the primary objective of the operation must be the accumulation of economic wealth or material advantage through deceptive means. The penalty structure given under S. 111 is severe. It is worth noting that in Penal Code 1860, prior to repeal, "Organised Crime" was not recognised as an offence. This represents a significant escalation from the legacy IPC framework, where white collar criminals could often secure relatively short sentences with standard bail options.

### S. 112 BNS Petty Organized Crime

Recognizing that not all financial syndicates operate at an institutional or multi-crore scale, the legislature introduced S. 112 in BNS, which was previously not an offence under IPC. This section targets localized, systematic operations such as organized pickpocketing, shoplifting, card-skimming, illegal betting, and small-scale mobile frauds executed by close networks. Thus, individual acts that might otherwise be treated as simple theft or minor cheating are elevated to a distinct category if they are executed as part of a systematic, group-level operation. This effectively prevents local syndicates from exploiting the lenient bail rules and lower penalty thresholds typically applied to isolated, low-value property crimes. The provision is as follows:

> "**112. Petty organised crime**.—(1) Whoever, being a member of a group or gang, either singly or jointly, commits any act of theft, snatching, cheating, unauthorised selling of tickets, unauthorised betting or gambling, selling of public examination question papers or any other similar criminal act, is said to commit petty organised crime.
>
> *Explanation*.—For the purposes of this sub-section "theft" includes trick theft, theft from vehicle, dwelling house or business premises, cargo theft, pick-pocketing, theft through card skimming, shoplifting and theft of Automated Teller Machine.
>
> (2) Whoever commits any petty organised crime shall be punished with imprisonment for a term which shall not be less than one year but which may extend to seven years, and shall also be liable to fine."

## Framework under Bharatiya Nagrik Suraksha Sanhita, 2023 relevant to Economic Crimes

### Trials In Absentia BNSS S. 355

To address the problem of high-profile financial offenders fleeing the country to evade prosecution, the legislature introduced a major procedural reform under S. 355 BNSS. This provision allows trial courts to conduct criminal proceedings and deliver judgments in absentia i.e. in the absolute absence of the accused, if the individual has absconded and there is no immediate prospect of securing their return. While this tool prevents fugitives from halting the wheels of justice, it places a heavy burden of care on the trial judge. The court must ensure that the absconding status of the accused is conclusively proven through formal proclamations. Legal counsel is appointed to represent the absent defendant, protecting the right to a fair defence. The trial strictly adheres to the principles of natural justice, ensuring that the absence of the accused does not automatically result in a presumption of guilt.

## S. 107 BNSS for Attachment, Forfeiture or Restoration of Property

Though IPC contained provisions relating to forfeiture of unlawfully acquired property (Ss. 105C - 105J) which have been imported in BNSS from Ss. 115 to 122, BNSS has introduced S. 107 as a significant addition to India's legal framework for dealing with properties constituting "proceeds of crime". This provision represents a paradigm shift in the approach towards attachment, forfeiture, and distribution of criminal assets, expanding the scope of such powers beyond what was previously available under specialized legislations like the Prevention of Money Laundering Act (PMLA), 2002, and the Fugitive Economic Offenders Act (FEOA), 2018.

Section 107 empowers courts to attach any property derived from criminal activities and, under certain conditions, to forfeit such proceeds to the government for distribution among victims. This provision fills a legislative vacuum that previously existed under Code of Criminal Procedure (CrPC) and represents the legislature's intent to enable expeditious disposal and distribution of proceeds of crime to rightful claimants. The provision is as follows:

> "**107. Attachment, forfeiture or restoration of property**.—(1) Where a police officer making an investigation has reason to believe that any property is derived or obtained, directly or indirectly, as a result of a criminal activity or from the commission of any offence, he may, with the approval of the Superintendent of Police or Commissioner of Police, make an application to the Court or the Magistrate exercising jurisdiction to take cognizance of the offence or commit for trial or try the case, for the attachment of such property.
>
> (2) If the Court or the Magistrate has reasons to believe, whether before or after taking evidence, that all or any of such properties are proceeds of crime, the Court or the Magistrate may issue a notice upon such person calling upon him to show cause within a period of fourteen days as to why an order of attachment shall not be made.
>
> (3) Where the notice issued to any person under sub-section (2) specifies any property as being held by any other person on behalf of such person, a copy of the notice shall also be served upon such other person.

(4) The Court or the Magistrate may, after considering the explanation, if any, to the show-cause notice issued under sub-section (2) and the material fact available before such Court or Magistrate and after giving a reasonable opportunity of being heard to such person or persons, may pass an order of attachment, in respect of those properties which are found to be the proceeds of crime:

Provided that if such person does not appear before the Court or the Magistrate or represent his case before the Court or Magistrate within a period of fourteen days specified in the show-cause notice, the Court or the Magistrate may proceed to pass the *ex parte* order.

(5) Notwithstanding anything contained in sub-section (2), if the Court or the Magistrate is of the opinion that issuance of notice under the said sub-section would defeat the object of attachment or seizure, the Court or Magistrate may by an interim order passed *ex parte* direct attachment or seizure of such property, and such order shall remain in force till an order under sub-section (6) is passed.

(6) If the Court or the Magistrate finds the attached or seized properties to be the proceeds of crime, the Court or the Magistrate shall by order direct the District Magistrate to rateably distribute such proceeds of crime to the persons who are affected by such crime.

(7) On receipt of an order passed under sub-section (6), the District Magistrate shall, within a period of sixty days distribute the proceeds of crime either by himself or authorise any officer subordinate to him to effect such distribution.

(8) If there are no claimants to receive such proceeds or no claimant is ascertainable or there is any surplus after satisfying the claimants, such proceeds of crime shall stand forfeited to the Government."

The term "proceeds of crime" is defined under S. 111(c) of BNSS as any property derived or obtained directly or indirectly by any person as a result of criminal activity, or the value of any such property. Therefore, this section has an expansive scope which covers all criminal offences, unlike specialized statutes such as PMLA and FEOA, which are limited to specific scheduled offences. Under this provision, a police officer conducting an investigation, with approval from the Superintendent of Police or Commissioner of Police, may apply to the court or Magistrate for attachment of property if he has reason to believe that the property constitutes proceeds of crime, and this section does not mandate detailed recording of reasons, unlike in PMLA and FEOA, by the investigating police officer.

S. 107(5) also grants criminal courts the power to issue ex parte interim attachment orders without prior notice if they believe that issuing notice would defeat the object of attachment or seizure, allowing immediate action to prevent asset dissipation. The section also permits attachment and liquidation of properties even before the conclusion of trial related to the associated criminal offence. This represents a significant departure from traditional legal practices where forfeiture typically occurs only after conviction. Once property is confirmed as proceeds of crime, the court directs the District Magistrate to distribute such proceeds among crime victims within 60 days, and any surplus or unclaimed proceeds are forfeited to the government. This section does not stipulate any time limit for attachment duration.

### The Expanded Definition of "Property"

IPC defined property primarily through a physical lens, focusing on tangible, movable, and immovable assets. While subsequent amendments to the IT Act attempted to bridge the digital gap, the text of IPC remained rooted in physical reality. BNSS updates this baseline by expanding the definition of "property" to account for the digital era. S. 111(d) BNSS defines property as "property" means property and assets of every description whether corporeal or incorporeal, movable or immovable, tangible or intangible and deeds and instruments evidencing title to, or interest in, such property or assets derived or used in the commission of an offence and includes property obtained through proceeds of crime.

## Various Crimes falling under the provisions of BNS

### Mule Accounts

As cyber fraud escalates across India, one common denominator emerges: money mule accounts. These hidden enablers are at the heart of scams, laundering operations, and organized crime. In 2023 alone, over 450,000 bank accounts were frozen due to suspected mule activity. So how do mule accounts facilitate financial crimes? Mule accounts serve as essential tools for criminals involved in various forms of financial crime. These accounts allow illicit funds to move through legitimate banking channels, making it difficult for investigators to trace the original source of the money. This technique, known as layering, is a common step in money laundering operations. Typically, criminals recruit individuals-either knowingly or unknowingly-to serve as intermediaries. These "money mules" may be offered incentives to lend their bank accounts or may be deceived into believing they are participating in a legal business transaction. Once the mule account is set up, it is used to receive and forward funds to other mule accounts or shell companies. These rapid transfers make it hard for authorities to follow the money trail. In more complex cases.

criminals use mule accounts across multiple countries to avoid detection by local financial monitoring systems.

## DIGITAL ARREST

Digital arrest is a rapidly growing form of cybercrime in which fraudsters pose as law enforcement officers or court officials to intimidate victims through audio and video calls. They virtually hold the victims hostage and pressure them to transfer money. In November last year, the Hon’ble Supreme Court had called for stringent action against digital arrest scams after it was informed that Indians had been defrauded of nearly Rs. 3,000 crores in such cyber frauds. Taking suo moto cognizance in **Suo Moto Writ Petition (Criminal) No(s). 3/2025 In re: Victims of Digital Arrest Related to Forged Documents, order dated 09.02.2026**, the Hon’ble Apex Court directed that the Central Bureau of Investigation (CBI) shall be the primary agency to investigate cases reporting digital arrest scams. On 27.07.2026, the Hon’ble Court said that digital arrest cases are the “worst kind of crimes” against people and no bail would be granted in such cases unless some extraordinary grounds exist.

Underlining the need for fast disposal of complaints regarding freezing of bank accounts in such cases of cyber-enabled financial frauds, the Hon’ble Bench asked the IDC to issue necessary advisories and directions to all States, UTs, ministries and government departments to undertake extensive public awareness programmes on prevention of cybercrime and digital arrest scams, grievance redressal and money restoration modules and the SOP of the Ministry of Home Affairs on custody and restoration of defrauded money. While issuing a series of directions to strengthen the prevention, investigation and redressal mechanisms relating to the menace, RBI was asked to formally adopt and circulate, within four weeks, an SOP prescribing the action to be taken by banks for placing temporary debit holds on accounts linked to cyber-enabled financial fraud. The SOP must incorporate a grievance redressal mechanism, a money restoration module and measures to raise public awareness about these mechanisms, said the Bench, which had earlier asked the Centre to consider formally defining 'digital arrest' in criminal law and treat it as a standalone offence attracting stringent punishment.

# JUDICIAL PRECEDENTS GOVERNING THE GRANT OF BAIL IN ECONOMIC OFFENCES

- **Satender Kumar Antil v. CBI, 2022 SCC OnLine SC 825**

  "2. …In terms of the suggestions, the offences have been categorised and guidelines are sought to be laid down for grant of bail, without fettering the discretion of the courts concerned and keeping in mind the statutory provisions.

  3. We are inclined to accept the guidelines and make them a part of the order of the Court for the benefit of the courts below. The guidelines are as under:

  '**Categories/Types of Offences**

  (A) Offences punishable with imprisonment of 7 years or less not falling in Categories B & D.

  (B) Offences punishable with death, imprisonment for life, or imprisonment for more than 7 years.

  (C) Offences punishable under Special Acts containing stringent provisions for bail like NDPS (Section 37), PMLA (Section 45), UAPA [Section 43-D(5)], Companies Act, [Section 212(6)], etc.

  (D) Economic offences not covered by Special Acts.

  **REQUISITE CONDITIONS**

  (1) Not arrested during investigation.

  (2) Cooperated throughout in the investigation including appearing before investigating officer whenever called.

  **CATEGORY A**

  After filing of charge-sheet/complaint taking of cognizance

  (*a*) Ordinary summons at the 1st instance/including permitting appearance through lawyer.

  (*b*) If such an accused does not appear despite service of summons, then bailable warrant for physical appearance may be issued.

  (*c*) NBW on failure to appear despite issuance of bailable warrant.

  (*d*) NBW may be cancelled or converted into a bailable warrant/summons without insisting physical appearance of the accused, if such an application is moved on behalf of the accused before execution of the NBW on an undertaking of the accused to appear physically on the next date/s of hearing.

  (*e*) Bail applications of such accused on appearance may be decided without the accused being taken in physical custody or by granting interim bail till the bail application is decided.

  **CATEGORIES B/D**

  On appearance of the accused in court pursuant to process issued bail application to be decided on merits.

**CATEGORY C**

Same as Categories B and D with the additional condition of compliance of the provisions of Bail under NDPS (Section 37), Section 45 of the PMLA, Section 212(6) of the Companies Act, Section 43-D(5) of the UAPA, POSCO, etc.'

4. Needless to say that Category A deals with both police cases and complaint cases.

5. The trial courts and the High Courts will keep in mind the aforesaid guidelines while considering bail applications. The caveat which has been put by the learned ASG is that where the accused have not cooperated in the investigation nor appeared before the investigating officers, nor answered summons when the court feels that judicial custody of the accused is necessary for the completion of the trial, where further investigation including a possible recovery is needed, the aforesaid approach cannot give them benefit, something we agree with.

6. We may also notice an aspect submitted by Mr Luthra that while issuing notice to consider bail, the trial court is not precluded from granting interim bail taking into consideration the conduct of the accused during the investigation which has not warranted arrest. On this aspect also we would give our imprimatur and naturally the bail application to be ultimately considered, would be guided by the statutory provisions.

7. The suggestions of the learned ASG which we have adopted have categorised a separate set of offences as "economic offences" not covered by the special Acts. In this behalf, suffice to say on the submission of Mr Luthra that this Court in *Sanjay Chandra* v. *CBI* [*Sanjay Chandra* v. *CBI*, (2012) 1 SCC 40 : (2012) 1 SCC (Cri) 26 : (2012) 2 SCC (L&S) 397] has observed in para 39 that in determining whether to grant bail both aspects have to be taken into account:

(*a*) seriousness of the charge, and

(*b*) severity of punishment.

**Thus, it is not as if economic offences are completely taken out of the aforesaid guidelines but do form a different nature of offences and thus the seriousness of the charge has to be taken into account but simultaneously, the severity of the punishment imposed by the statute would also be a factor**…"

- **P. Chidambaram v. Directorate of Enforcement, 2019 SCC OnLine SC 1143**

"69. Ordinarily, arrest is a part of procedure of the investigation to secure not only the presence of the accused but several other purposes. Power under Section 438 CrPC is an extraordinary power and the same has to be exercised sparingly. The privilege of the pre-arrest bail should be granted only in exceptional cases. The judicial discretion conferred upon the court has to be properly exercised after application of mind as to the nature and gravity of the accusation; possibility of the applicant fleeing justice and other factors to decide whether it is a fit case for grant of anticipatory bail. Grant of anticipatory bail to some extent interferes in the sphere of investigation of an offence and hence, the court must be circumspect while exercising such power for grant of anticipatory bail. Anticipatory bail is not to be granted as a matter of rule and it has to be granted only when the court is convinced that exceptional circumstances exist to resort to that extraordinary remedy."

- **Y.S. Jagan Mohan Reddy v. CBI, 2013 SCC OnLine SC 452**

  "34. Economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.

  35. While granting bail, the court has to keep in mind the nature of accusations, the nature of evidence in support thereof, the severity of the punishment which conviction will entail, the character of the accused, circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interests of the public/State and other similar considerations."

- **State of Gujarat v. Mohanlal Jitamalji Porwal, SCC OnLine SC 170**

  "5. …The entire community is aggrieved if the economic offenders who ruin the economy of the State are not brought to book. A murder may be committed in the heat of moment upon passions being aroused. An economic offence is committed with cool calculation and deliberate design with an eye on personal profit regardless of the consequence to the community. A disregard for the interest of the community can be manifested only at the cost of forfeiting the trust and faith of the community in the system to administer justice in an even-handed manner without fear of criticism from the quarters which view white collar crimes with a permissive eye unmindful of the damage done to the national economy and national interest…"

- **State of T.N. v. R. Vasanthi Stanley, SCC OnLine SC 815**

  "15. As far as the load on the criminal justice dispensation system is concerned it has an insegregable nexus with speedy trial. A grave criminal offence or serious economic offence or for that matter the offence that has the potentiality to create a dent in the financial health of the institutions, is not to be quashed on the ground that there is delay in trial or the principle that when the matter has been settled it should be quashed to avoid the load on the system. That can never be an acceptable principle or parameter, for that would amount to destroying the stem cells of law and order in many a realm and further strengthen the marrows of the unscrupulous litigations. Such a situation should never be conceived of."

## ILLUSTRATIONS OF SOCIO-ECONOMIC OFFENCES IN CHHATTISGARH

Agriculture is the foundation of Chhattisgarh's economy, making the integrity of state procurement and rural subsidy distribution vital to public welfare. Consequently, financial crimes in the state often manifest as systematic fraud within agricultural programs, such as crop insurance schemes and public grain distribution networks. This dynamic is clearly illustrated in the landmark ruling of the Hon'ble High Court of Chhattisgarh in **Parmeshwar Sahu v. State of Chhattisgarh (order dated 27.04.2026 in MCRC No. 3806 of 2026)**. The accused individuals systematically fabricated land revenue records, falsely claiming chickpea (chana) cultivation across more than 50 hectares of land that was actually being used for commercial banana crops. By colluding with local revenue officials (Patwaris), insurance agents, and tech centre operators, they successfully secured the wrongful disbursement of public subsidy funds exceeding Rs. 25 lakhs. An FIR lodges was under a broad matrix of BNS provisions which are Ss. 316(5), 318(4), 336(2), 338, 340(2). This combination directly linked criminal breach of trust by public actors with severe document forgery provisions. When evaluating the bail plea, the Hon'ble High Court had to assess the distinct roles within the fraud hierarchy. The applicant argued that as a simple data entry operator at a local Common Service Centre (CSC) portal, his role was purely clerical and lacked dishonest intent. The State countered that digital data entry points serve as primary facilitators in modern white-collar crimes, allowing fraudulent data to be introduced into public platforms. While the Hon'ble Court ultimately granted bail based on the duration of pre-trial detention already served, the judgment established a key precedent: under the BNS framework, digital entry points are considered vital components of organized economic offences, significantly expanding the scope of co-conspirator liability.

The urban corridors of Chhattisgarh have recently seen an escalation in sophisticated, cross border digital gambling networks and parallel hawala systems. These operations function as modern, tech-driven financial enterprises that deliberately exploit state boundaries. The judicial approach to these crimes took a sharp turn in mid-2026. In **Deepak Agrawal v. State of Chhattisgarh (order dated 23.04.2026 in MCRC No. 3703 of 2026)** and the connected landmark judgment **Prakashchand Miri v. State of Chhattisgarh (order dated 19.06.2026 in MCRC No. 4058 of 2026)**, the judiciary directly addressed online sports betting rackets. The accused were arrested with substantial cash reserves, multiple mobile devices, and laptops running unauthorized digital betting platforms via encrypted communication apps like WhatsApp. The financial trails revealed that payments were routed through multi-layered bank accounts linked to dummy identities across different states, while the backend operational hubs were located in Goa. They were prosecuted by combining S. 7 of the Chhattisgarh Gambling (Prohibition) Act, 2022 with S. 112(2) BNS (Petty Organized Crime). In denying bail to the syndicate members, Hon'ble High Court of Chhattisgarh has delivered a definitive opinion on the nature of digital-era economic offences: *"Online gambling is an organized crime having various facets and a significant impact on the economy of the country."* This reasoning reflects a clear shift away from treating gambling as a minor public nuisance. By viewing it through the lens of S. 112 BNS, the judiciary recognized that digital betting networks function as organized financial syndicates that drain the state economy, undermine banking integrity, and require strict judicial deterrence during the pre-trial phase.

## CONCLUSION

The transition from IPC to BNS represents a fundamental modernization of India's criminal justice system, addressing contemporary challenges while preserving established legal principles. Through structural consolidation, enhanced punishments, victim-centric provisions, and digital-age adaptations, BNS creates a more comprehensive, accessible, and effective criminal law framework. This transformation reflects India's commitment to evolving its legal system to meet 21st century requirements while maintaining the rule of law and constitutional principles.

For a rapidly developing state like Chhattisgarh, ensuring that statutory intent translates into fair, efficient judicial outcomes requires targeted investments in forensic technology and administrative clarity. The structural needs to realize the full potential of BNS are now being addressed by the various modern initiatives taken by the stakeholders of the Criminal Justice System, i.e. the implementation of the platforms of Crime and Criminal Tracking Network and Systems (CCTNS) , Interoperable Criminal Justice System (ICJS), eSakshya portal, eSummons portal etc. These initiatives ensure a seamless flow of information between all the stakeholders without compromising on the authenticity of data. Thus, the implementation of BNS marks a major milestone in India's criminal justice history, offering a modern, consolidated toolset to combat the growing scale of economic crimes.

> ***"…the value of life and liberty of members of society is not limited only to their 'person' but would also extend to the quality of their life, including their economic well-being."***
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> - ***The Hon'ble Supreme Court in Rakesh Mittal v. Ajay Pal Gupta, 2026 SCC OnLine SC 211***