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ECONOMIC OFFENCES IN KARNATAKA STATE: A STATISTICAL REVIEW

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ABSTRACT

The Indian Penal Code, 1860, Section 405 addresses criminal breach of trust. In accordance with this Section, "Whoever, having been in any way entrusted with property or having 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 manner 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 wilfully causes any other person Sections 415 to 420 of the Indian Penal Code, 1860 address cheating. In the majority of property offences, the defendant is only given possession of the Forgery is defined as the creation of a false document so that it may be used as a real document in Sections 463 and 464 of the Indian Criminal Code. The Code's Section 465 specifies the penalty for forgery. When someone who is not the owner or who is not authorised by the owner uses a mark that is identical to or confusingly similar to the owner's trademark, it constitutes trademark infringement under section 29(1) of the Trademark Act, 1999. Contrarily, counterfeit is defined as having been produced when the original items are imitated in order to give goods of lower quality, to trick consumers, and to damage the reputation of the original Trademark owner.

Key Words: Cheating, Forgery, Counterfeiting, Criminal Breach, Trust

Introduction

In India where social crimes are rampant, there is a fairly new set of socio-economic offences which are coming into the light. With the advancement in industrial sectors and coming-age technology everybody wants to get richer 'faster'. Offence or crimes as a whole can be broadly divided into two parts, Conventional and Non-Conventional offences. Conventional crimes are those traditional, illegal behaviors that most people think of as crime which includes murder, rape, assault, robbery, burglary and theft. Most crime is conventional crime. Non-conventional crime, may be White-Collar Crime, Blue-collar Crime, Pink-collar Crime, Political Crime, Corporate Crime, Occupational Crime etc. In non-conventional crimes there is an absence of mens rea.

A rise of 12.35 per cent was reported in economic offences involving property frauds, monetary cheating in 2021. At least 10 cases were multicore frauds out of a total of 178 cases registered in 2021. In 2020, 156 cases of economic offenses were registered, according to the National Crime Records Bureau (NCRB).

As per the NCRB, the pendency rate of Chandigarh Police was 77.3 per cent in the cases of economic offenses. At least 443 cases had been pending with the Chandigarh Police since 2020 which were further added to the total cases (178) registered in 2021. The NCRB observed that the chargesheet rate of Chandigarh Police is 67.4 per cent in the cases of economic offences (1).

In India, the Government of India for the purpose of reviewing the problem of corruption and for making suggestions regarding it had appointed a committee

namely Santhanam Committee in the year of 1962, (2) which has suggested changes in the legal framework for the purpose of ensuring the speedy trial of the cases relating to bribery, corruption or the cases of criminal misconduct which can help in making the law more effective (3).

In this context first, the concept of socio-economic offences given by the 47th Law Commission Report in India is very important and needed to be discussed as in this report the salient features of these social and economic offences are discussed in a detailed manner.[4]

Building trust costs a lot of time while losing it is a matter of seconds. There is a plethora of cases such; when a person is not in the position of controlling their property as the case may be and for that purpose such person contracts another person to take care of that property is said to have created a trust. Anytime someone is trusted with a piece of property, that person has a responsibility to treat it with the utmost good faith and refrain from using it for personal gain. The Indian Penal Code (IPC), 1860, Chapter 17 (XVII), deals with the crucial clause known as "Criminal Breach of Trust." The purpose of Section 405 of the IPC, 1860 is to define.

Section 405 of the Indian Criminal Code, 1860, as previously indicated, deals with criminal breach of trust. In accordance with this Section, "Whoever, having been in any way entrusted with property or having 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 manner 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 wilfully causes any other person.

Sections 415 to 420 of the Indian Penal Code, 1860 address cheating. The accused just gains possession of the thing in question in the majority of property offences. Yet when someone cheats, they get both the possession and the property that goes with it.

In accordance with the Indian Criminal Code, cheating is a crime. By adopting some dishonest methods, it is done to benefit or get an advantage over another individual. A person who intentionally misleads someone is aware that doing so would put them in an unfair situation. Section 420 of the IPC allows for the punishment of cheating as an offence.

The Indian Penal Code states in Section 463 that "whoever makes any false document or electronic record, or part of a document or electronic record, with intent to cause damage or injury, to the public or to any person, or to support any claim or title, or to induce any person to part with property, or to enter into any express or implied contract, or with intent to commit fraud or with the knowledge that fraud may be committed, commits forgery."

Section 28. "Counterfeit". —A person is said to "counterfeit" who causes one thing to resemble another thing, intending by means of that resemblance to practise deception, or knowing it to be likely that deception will thereby be practised.

Table showing the registration of economic offences under different heads for the period from 2011 to 2017

Sl. No.	Offences	2011	2012	2013	2014	2015	2016	2017
1	Criminal Breach of	440	401	477	432	457	395	532

Methodology

The methodologies and resources used in this study are created to get accurate results from scientific statistical analysis and to comprehend the seriousness of the problem of economic crimes in the State of Karnataka. The State Criminal Records Bureau's data served as the foundation for the majority of this investigation. The secondary data was gathered from the Police Department, the Government Committees, the NGO's, the State Crime Records Bureau of Karnataka, the National Crime Records Bureau, and the Internet. The most recent information on issues with economic crimes as well as economic crimes has been acquired by consulting various newspapers, weekly magazines, and monthly magazines. In order to gather information for my research work, I read newspapers and periodicals and collected that material.

Results and Discussion

Economic offences are criminal in the same way as other types of crimes. Nonetheless, because of their specific Modus Operandi, Economic Offenses are a separate class. The majority of the time, these offences cause economic loss to the community as a whole. The following crimes have been classified as economic crimes.

- 1) Criminal Breach of Trust.
- 2) Cheating.
- 3) Forgery
- 4) Counterfeiting.

	Trust							
2	Cheating	5850	5822	6598	6935	7513	7117	5840
3	Forgery	433	345	400	351	351	372	354
4	Counterfeiting	105	84	66	54	65	96	40
	Total	6828	6652	7541	7772	8386	7980	6766

Source: State Crime Record Bureau, Karnataka state.

Criminal Breach of Trust.

457 cases of criminal breach of trust were recorded in 2015, a reduction of 5.47% from the 432 cases reported in 2014. During 2011 and 2015, the number of cases ranged between 400 and 477. In 2016, 395 cases of criminal trust breach were reported, down from the 457 cases that were reported in 2015, which was a range of 395 to 477 cases during the years of 2012 and 2016.

Cheating

From 2011 and 2015, there was a continuous rise in the number of instances. Nonetheless, there were 7,513 documented cases in 2015 as opposed to 6,935 in 2014. As a result, compared to 2014, the number of such instances reported in 2015 increased by 8.33%. From 2012 and 2015, there was a continuous rise in the number of incidents, however in 2016, fewer cases of cheating were reported compared to the year before. In contrast to 2015, when 7,513 instances were reported, there were 7,117 cases that were reported in 2016. As a result, when compared to 2015, the number of such instances reported in 2016 reduced by 5.27%.

Forgery

During 2011 and 2015, there were between 350 and 433 cases of forgery; 351 cases were reported in both 2015 and 2014. From 2012 and 2016, there were between 345 and 400 forgery cases registered. In 2016, 372 incidents were reported, compared to 351 cases in 2015.

Counterfeiting

Throughout the period from 2011 to 2015, the number of instances varied between 105 and 65. 2015 saw a total of 65 cases reported throughout the state. There were 54 of these cases reported in 2014, an increase of 20.37% over the previous year. Throughout the years 2012 to 2016, there was a range in the number of instances of 96 to 54. In the state, 96 instances in all were documented in 2016. Comparing 2016 to 2015, there were 96 similar cases reported, representing an increase of 47.69%.

Financial Offenses Forgery, cheating, and fraud accounted for the most cases in 2018 out of the three specified categories of economic crimes (criminal breach of trust, forgery, cheating, and fraud), with 6691 cases. Criminal breach of trust came in second with 492 cases, and counterfeiting came in third with 32 cases.

In 2019 there were 6764 cases of forgery, cheating, and fraud, the most of the three stated categories of economic crimes (criminal breach of trust, forgery, cheating, and fraud), followed by criminal breach of trust (443 cases), and counterfeiting (31 cases).

Conclusion

Entrustment and dishonest theft of the property are the two fundamental components of a criminal breach of trust, according to Section 405 of the Indian Penal Code, 1860. Consequently, it is crucial that both requirements of the criminal breach of trust be met in order for the act to be considered an offence

under Section 406 of the Indian Criminal Code, 1860. According to Section 406 of the Indian Criminal Code, 1860, the penalty for criminal breach of trust is either imprisonment, which may be extended up to a period of three years, or a fine, or both, depending on the type of person who committed the offence. According to the Indian Criminal Code, cheating is defined as misleading another person into doing or not doing anything. When evaluating the accused person's liability, the accused person's purpose is significant and is taken into consideration. Deception and incentive are the two essential elements that must be proven in order to establish the offence of cheating. As the globe becomes more digital, trading, especially of counterfeit goods, is made simpler by the internet's global reach and anonymity. The current legislative framework does not guarantee to provide a comprehensive answer to the issues that are currently in force. As these products not only result in a loss for the original manufacturer but also for the government because less tax is collected, a stricter approach to the issue needs to be adopted.

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