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JUVENILES AS PAWNS IN ORGANIZED ECONOMIC CRIMES: A CRITICAL STUDY ON SMUGGLING AND HAWALA OPERATIONS IN INDIA

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Abstract

Whether through the smuggling of gold, drugs, or wildlife parts, or through unofficial value-transfer networks like hawala, organized economic crime in India is becoming more and more efficient at avoiding detection and prosecution. The instrumental use of juveniles is one unsettling adaption. Children and teenagers are frequently coerced or deceived into working as couriers, mule-account holders, or "fronts" for illegal enterprises. Using a combination of judicial precedents, empirical findings (NCRB, Enforcement Directorate press releases, media reporting), and doctrinal review (Juvenile Justice (Care and Protection of Children) Act, 2015; NDPS Act; PMLA; and the Bharatiya Nyaya Sanhita, 2023), this paper examines the use of juveniles in organized economic crimes in India. Case studies of mule-account networks, juvenile drug trafficking, and Kerala gold smuggling reveal common strategies. According to the research, systemic financial flaws (poor KYC, mule accounts) combine with socioeconomic vulnerabilities (poverty, orphanhood, and trafficking) to provide an environment that is conducive to the exploitation of young people. Although law enforcement finds it difficult to balance protection and prosecution, judicial precedents like *Pratap Singh v. State of Jharkhand* (2005) and *Sheela Barse v. Union of India* (1986) highlight the constitutional commitment to child protection. Specialized juvenile economic-crime cells, enhanced KYC for young account holders, anti-trafficking campaigns, unambiguous prosecutorial instructions, and rehabilitation routes that put children's rights ahead of punitive measures are among the recommendations made in the paper's conclusion.

Key Words: Juveniles, Smuggling, Hawala, Mule Accounts, Juvenile Justice, Organised Economic Crimes.

1. Introduction:

"The child is both a promise and a possibility" - Pandit Jawaharlal Nehru's timeless reminder underscores that children are society's most vulnerable yet most valuable assets. Ironically, in the shadow economy of organized crime, juveniles are often reduced to expendable pawns, recruited not for their potential but for their disposability. Organized economic crime in India operates as a layered ecosystem comprising financiers, transporters, couriers, enablers, and buyers. Within this structure, smuggling and hawala operations are particularly pervasive, fuelled by porous borders, extensive diaspora remittances, and uneven regulatory enforcement. To reduce the risk of detection and maximize impunity, syndicates increasingly deploy juveniles. Children act as gold couriers in airport smuggling rackets, as "mule" account holders in hawala transactions, or as street-level distributors in narcotics supply chains.

A striking instance is the **2013 Delhi gold smuggling case**, where several minors were apprehended at Indira Gandhi International Airport carrying gold biscuits concealed in personal belongings. Investigations revealed they had been coached by handlers who exploited their age, banking on the lower scrutiny juveniles face at customs checks.¹ More recently, in **2022, the Directorate of Revenue Intelligence (DRI)** reported a surge in cases where adolescents were being used to transport narcotics and foreign currency across Indo-Nepal and Indo-Bangladesh borders.² These cases highlight how criminal syndicates exploit the assumption of innocence attached to children.

Even the data reinforces this troubling trend. The National Crime Records Bureau (NCRB) noted in its **Crime in India 2022** report that over 7,000 juveniles were apprehended in connection with crimes related to theft, smuggling, drug trafficking, and financial fraud, with a noticeable spike in border states.³ International agencies also point to systemic vulnerabilities: a **UNICEF–UNODC study** on child trafficking in South Asia warned that organized networks deliberately recruit minors for illicit trades, knowing their culpability is mitigated by juvenile justice protections.⁴

¹ Times of India. (2013, September 23). *Minors used as gold carriers at Delhi airport*. <https://timesofindia.indiatimes.com>

² The Hindu. (2022, July 15). *Juveniles increasingly used in smuggling rackets, says DRI*. <https://www.thehindu.com>

³ National Crime Records Bureau. (2023). *Crime in India 2022: Statistics*. Ministry of Home Affairs, Government of India. <https://ncrb.gov.in>

⁴ United Nations Children's Fund (UNICEF), & United Nations Office on Drugs and Crime (UNODC). (2021). *Child trafficking and exploitation in South Asia: Regional assessment report*. UNICEF South Asia. <https://www.unodc.org>

From a legal standpoint, such practices create a paradox. While juveniles may technically “commit” criminal acts - such as carrying contraband under the Narcotic Drugs and Psychotropic Substances Act, 1985 (NDPS Act) or holding accounts under the Prevention of Money Laundering Act, 2002 (PMLA) - they remain, in essence, victims of manipulation and exploitation. The Juvenile Justice (Care and Protection of Children) Act, 2015 (JJ Act) foregrounds rehabilitation, diversion, and restorative justice over punitive measures. Yet, enforcement agencies investigating predicate offences under NDPS or PMLA often must prosecute the act, regardless of the offender’s age. This legal tension challenges Indian jurisprudence and complicates child-protection policy.

Judicial approaches reflect this dilemma. In *Sheela Barse v. Union of India*⁵, the Supreme Court emphasized that juveniles should be treated not as criminals but as children in need of care. However, subsequent cases under NDPS and PMLA frameworks show courts grappling with the duality of treating juveniles as offenders and victims.

1.1. Research Gap:

This study addresses the lack of research on juveniles’ involvement in economic crimes like smuggling and hawala in India, combining legal, social, and enforcement perspectives to understand their exploitation and suggest protective measures.

1.2. Novelty:

This study brings new insights into the topic of juveniles involved in organized economic crimes in India, focusing specifically on smuggling and hawala operations. Most previous research looks at violent crimes, drug offences, or general juvenile delinquency, but very few examine how children are used in financial crimes. The study looks closely at Indian regions like Kerala, Gujarat, and Punjab, showing how local factors make children vulnerable to economic crime. It also connects laws like the Juvenile Justice Act, PMLA, NDPS, and Bharatiya Nyaya Sanhita with real-life social issues such as poverty, orphanhood, migration, and lack of financial awareness.

The paper explains how juveniles are recruited as couriers, mule-account holders, or intermediaries by criminal networks, something that has not been explored in detail before. The

⁵ *Sheela Barse v. Union of India*, AIR 1986 SC 1773.

study highlights the need for more data on juvenile involvement in economic crimes, helping future researchers and authorities understand the problem better. In short, this study is new and important because it looks at how children are exploited in economic crimes, explains the patterns, and suggests ways to protect them, specifically in the Indian context.

1.3. Research Aims and Objectives:

The main aim of this paper is to study how juveniles are used as pawns in organized economic crimes, especially in smuggling and hawala operations in India, and to understand the legal, social, and psychological challenges involved. Furthermore, it also focuses on the following specific goals:

- 1.3.1. To explain why and how juveniles are targeted by criminal networks for smuggling and hawala activities.
- 1.3.2. To examine the legal framework in India that deals with juvenile involvement in economic crimes.
- 1.3.3. To study important case laws and real-life examples where juveniles were found involved in such crimes.
- 1.3.4. To analyse the role of poverty, lack of education, and social factors that make juveniles vulnerable.
- 1.3.5. To suggest reforms and preventive measures that can protect children from being exploited in such crimes.

1.4. Literature Review:

Criminology, sociology, and legal studies have all extensively examined the employment of minors in organized economic crimes. The problem is typically divided into three main categories by academics:

(i) socioeconomic vulnerabilities that lead to juvenile criminality; (ii) the exploitation of minors by organized crime groups like smugglers and hawala operators; and (iii) the effectiveness of legal frameworks in shielding children from such exploitation.

- 1.4.1. **Hazra (2021)⁶**, in *“Determinants of juvenile crime: evidence from India”*, uses panel data from 31 states and UTs over 2009 - 2016 to show that poverty rates, slum population percentage, and poor economic conditions are significantly associated with

⁶ Hazra, D. (2021). Determinants of juvenile crime: Evidence from India. *International Journal of Social Economics*, 48(12), 1740–1767.

higher juvenile crime rates. Income, educational attainment, and macroeconomic indicators matter.

- 1.4.2. **“Study of Juvenile Delinquents in India” by Divya V (2023)**⁷ analyses a large sample (over 1600 respondents) and finds that broken families, rural-urban migration, neighbourhood factors (lack of recreation, poor supervision), and hunger/poverty strongly correlate with delinquency.
- 1.4.3. **Srivastava & Shekhar (2024)**⁸, in **“Juvenile Protection and Care: The Current Trend in Juvenile Justice in India”** point out that constitutional and legal frameworks are important, but implementation lags particularly in ensuring rights of children in conflict with law, stemming from socio-economic deprivations.
- 1.4.4. **Agarwal (2018)**⁹ in **“Juvenile Delinquency in India – Latest Trends and Entailing Amendments in Juvenile Justice Act”** tracks how amendments in juvenile justice have tried to respond to rising incidents of juvenile crime, but highlights that non-violent/economic crimes are not as well addressed in policy or focused research.
- 1.4.5. The paper **“Juvenile Delinquency in India with Special Reference to the Juvenile Justice System” (Pal, 2024)**¹⁰ reviews how the Juvenile Justice (Care & Protection) Act, 2015 provides for diversion, rehabilitation, and child-friendly legal procedures. However, it notes that there is often a mismatch between the law’s provisions and ground realities—closures of observation homes, lack of resources, and delayed proceedings.
- 1.4.6. From **The Socio-economic Profile of Children in Conflict with the Law (2019)**¹¹, the analysis shows that children from lower socio-economic strata are overrepresented in legal cases, whether for minor offences or more serious ones. Many of these children have had little formal protection, weak legal representation, and suffer from stigma.

1.5. Research Methodology:

This research paper examines the situation and condition of the juveniles who are used as

⁷ Divya, V. (2023). Study of Juvenile Delinquents in India. *International Journal of Law Management & Humanities*, 6(2), 2198–2212.

⁸ Srivastava, M., & Shekhar, S. (2024). Juvenile Protection and Care: The Current Trend in Juvenile Justice in India: Issues and Challenges. *ShodhKosh: Journal of Visual and Performing Arts*, 5(5), 1507–1514.

⁹ Agarwal, D. (2018). *Juvenile Delinquency in India – Latest Trends and Entailing Amendments in Juvenile Justice Act*. People: International Journal of Social Sciences.

¹⁰ Pal, S. (2024). Juvenile Delinquency In India With Special Reference To The Juvenile Justice System. *The Indian Journal for Research in Law and Management*, 1(4).

¹¹ *The Socio-economic Profile of Children in Conflict with the Law*. In *Children and Crime in India* (2019), pp.21–46. Springer.

pawns in organised economic crimes. The study adopts the doctrinal methodology, drawing from secondary data analysis. This approach is inspired by standard doctrinal research methodology that relies on secondary sources such as academic literature, government reports, and credible online resources.

1.6. Hypothesis:

1.6.1. Juveniles are used in smuggling and hawala because they face less suspicion and lighter punishment than adults.

1.6.2. Poverty, lack of education, and orphanhood increase the chances of children being drawn into economic crimes.

1.6.3. Laws like the Juvenile Justice Act, NDPS, PMLA, and BNS aim to protect juveniles, but weak enforcement lets criminals continue to exploit them.

1.6.4. Online banking, UPI, and cryptocurrency make it easier for criminals to misuse juveniles in money transfers.

1.6.5. Stronger financial checks and better coordination among agencies can reduce the misuse of children in organized crime.

1.7. Research Questions:

1.7.1. Why do criminal groups choose juveniles for smuggling and hawala work?

1.7.2. What social and economic conditions make children vulnerable to such crimes?

1.7.3. How do Indian laws protect juveniles in economic crimes, and what problems remain in enforcement?

1.7.4. How has digital technology (like UPI and crypto) changed the way juveniles are exploited?

1.7.5. What steps can be taken to prevent children from being used in organized crimes and to focus on their rehabilitation?

1.8. What are Organized Economic Crimes?

Organized economic crimes are systematic, coordinated illegal activities carried out for financial gain. Unlike petty crimes, these involve networks of individuals with specialized roles, often spanning cities, states, or countries. They are carefully planned to avoid detection, exploit loopholes in law enforcement, and maximize profits.

1.8.1. Definition and Scope of Organized Economic Crimes

Organized economic crimes encompass illegal activities that are complex, repeated, and

structured, typically involving multiple actors. These crimes can range from smuggling, drug trafficking, counterfeit currency circulation, hawala operations, and money laundering, to digital financial frauds. In India, organized crime networks often use juveniles, vulnerable populations, and low-risk intermediaries to execute operations. The scope extends to physical smuggling corridors, urban financial markets, and increasingly, digital platforms including UPI, prepaid wallets, and cryptocurrencies.

1.8.2. Common Types in India: Smuggling, Hawala, Money Laundering

1. **Smuggling** - Illegal import or export of goods such as gold, narcotics, electronics, and wildlife products. For example, Kerala saw Gulf-returning couriers transporting small gold parcels, some carried by minors.¹² Wildlife trafficking has also involved juveniles carrying pangolin scales and exotic animals from northeastern states.
2. **Hawala and Underground Banking** - Informal money transfer systems bypassing regulated banking channels. Hawala networks often use mule accounts, sometimes opened by juveniles, to transfer large sums domestically and internationally.
3. **Money Laundering** - Processing proceeds from illegal activities to make them appear legitimate. Criminals use shell accounts, minor intermediaries, or digital platforms to move illicit funds. Enforcement Directorate (ED) investigations in 2024 revealed minors' accounts were frequently used to convert money into cryptocurrency or hawala transfers.¹³
4. **Digital Financial Exploitation** - Increasingly, criminals leverage social media and online platforms to recruit minors for cryptocurrency transfers, UPI wallets, and digital scams. This reduces risk for adult organisers and allows rapid, hard-to-trace money movements.

1.8.3. Factors Contributing to Organized Crime Growth in India

Several interconnected factors have made India particularly susceptible to organized economic crimes. Geographically, India's vast 15,000 km of land borders and porous coastal areas create numerous entry and exit points for smuggling networks, allowing contraband such as gold, narcotics, and wildlife products to move across regions with relative ease. Migration patterns also play a key role: states like Kerala and Tamil Nadu, with strong historical links to Gulf countries, generate demand for smuggling gold, electronics, and consumer goods, which creates opportunities for criminal networks to exploit returning migrants and local intermediaries. Despite advances in digital payments, India continues to have a high cash

¹² Lawful Legal. (2025). *Kerala smuggling cases overview*.

¹³ Enforcement Directorate. (2024, March 28). *Press Release — Part-Time Job Scam*.

economy, which allows illegal transactions to occur without leaving a clear paper trail, making detection difficult for authorities.

Another critical factor is the weak monitoring of juvenile accounts in banks and digital platforms. Many minors open bank accounts or digital wallets, sometimes under false pretences, which are then misused by hawala operators or other criminal networks to transfer money domestically and internationally. Urban centres such as Delhi, Mumbai, Ahmedabad, and Surat act as hubs for organized crime, offering anonymity, dense populations, and active financial markets where juvenile couriers, mule accounts, and small-scale distributors can operate with minimal scrutiny. Finally, deep socio-economic vulnerabilities, including poverty, orphanhood, low literacy, and exposure to trafficking, make children particularly easy targets for recruitment into criminal networks. These vulnerabilities intersect with the operational needs of organized crime, creating an environment where juveniles are systematically exploited as low-risk intermediaries. Collectively, these factors such as geographic, economic, technological, and social allow organized crime to thrive in India, while making it difficult for authorities to disrupt operations that exploit minors.

Together, these factors create a fertile environment for organized economic crimes to thrive, with juveniles often exploited to reduce operational risk and avoid legal consequences for adult organisers.

1.9. Organized Economic Crimes in India: Expanded Primer

Smuggling of gold, drugs, electronics, fake commodities, and wildlife products, as well as large-scale money laundering and unofficial value-transfer networks like hawala, are all considered organized economic crimes in India. These crimes, which involve funders, couriers, transporters, and facilitators, are organized in a systematic manner. The issue is made worse by India's socioeconomic and geographic vulnerabilities: Cross-border smuggling is made easier by 15,000 km of porous land borders, the desire for gold and luxury items is driven by large migration to Gulf countries, untraceable transactions are made possible by the preponderance of a cash-based economy, and regulatory oversight of small and juvenile-held bank accounts is still lacking.¹⁴

Some examples of organized economic crimes and juvenile involvement include: Kerala Gold Smuggling (2019–2024): Smuggling networks exploited Gulf-returning couriers, including juveniles, to transport gold through airports. Local handlers and distributors facilitated the

¹⁴ National Crime Records Bureau. (2022). *Crime in India 2022*. Ministry of Home Affairs.

movement within Kerala and other states.¹⁵ Similarly, (Hawala and Mule Account Networks) Cities such as Bareilly, Delhi, and Surat witnessed hawala networks routing crores of rupees through mule accounts. Juveniles were often recruited to open these accounts or act as intermediaries, making detection difficult.¹⁶ These examples illustrate the adaptive strategies of organized crime in India, exploiting both physical vulnerabilities (porous borders, high cash usage) and systemic weaknesses in regulatory oversight, particularly around juvenile financial activity.

1.10. How Juveniles Become Pawns in Smuggling and Hawala Networks?

Juveniles are used by organized criminal networks as expendable intermediaries, taking on roles that reduce the risk for adult organisers. Recruitment often targets poor children, orphans, or runaways, who may be offered small amounts of money, food, temporary shelter, or fake job opportunities. Criminals exploit their naivety, lack of legal awareness, and social vulnerabilities to involve them in courier work, account management, or digital transactions. In smuggling operations, juveniles may carry gold or narcotics in clothing, capsules, or small parcels. For instance, Kerala Customs intercepted multiple minors carrying small amounts of gold from Gulf flights.¹⁷ In hawala networks, minors are recruited to open bank accounts, UPI wallets, or cryptocurrency accounts, often under the pretext of part-time jobs. ED investigations in 2024 revealed hundreds of accounts opened by students and minors, which were then used to transfer funds for illegal purposes.

Juveniles are preferred because they draw less attention from law enforcement, are legally protected under the Juvenile Justice Act, and can easily be replaced if intercepted. Social media and online platforms have made recruitment even easier, with minors unknowingly sharing account details or acting as intermediaries in digital currency transfers. These children often lack awareness of the criminal implications, making them highly exploitable.

The process shows a clear pattern: vulnerability is exploited, operational risk is shifted to juveniles, and adult organisers remain insulated. This dynamic not only endangers minors but also allows criminal networks to sustain and expand their illegal operations across borders, urban centres, and digital platforms.

1.11. Why Juveniles? Tactical Advantages:

¹⁵ Lawful Legal. (2025). *Kerala smuggling cases overview*.

¹⁶ Hindustan Times. (2025, May 13). Bareilly's 'mule' accounts behind suspicious banking activities.

¹⁷ Lawful Legal. (2025). *Kerala smuggling cases overview*.

Criminal networks in India increasingly exploit juveniles because minors provide a combination of operational advantages, legal loopholes, and social vulnerabilities that adults do not. The use of juveniles is strategic rather than incidental, reflecting how organized economic crimes adapt to law enforcement and regulatory oversight.

- 1.11.1. **Lower suspicion and profiling blind spots:** Airports, banks, and digital financial platforms often fail to flag under-18 individuals as potential participants in illegal financial activities. Juveniles carrying contraband or operating mule accounts are less likely to trigger risk-profiling algorithms, customs alerts, or banking red flags. In Kerala, airport authorities noted that minors transporting gold via Gulf flights were intercepted only after repeated profiling improvements, suggesting a prior blind spot.
- 1.11.2. **Legal leniency under child-protection laws:** The Juvenile Justice (Care and Protection of Children) Act, 2015 prioritises rehabilitation over punitive measures. Juveniles apprehended for economic crimes are typically treated as victims, and their actions may not lead to formal prosecution. This legal shield allows organisers to exploit the gap between protective jurisprudence and enforcement requirements under NDPS, PMLA, or anti-smuggling laws.
- 1.11.3. **Coercion, manipulation, and socio-economic vulnerability:** Children from orphanages, slums, tribal areas, or trafficked populations are particularly susceptible. Criminals incentivise them with basic necessities such as food, clothing, shelter, or small cash payments. In some cases, minors are lured with promises of education or employment, masking the illegal activity.
For instance, in Ahmedabad, orphaned minors were reportedly used as narcotics couriers in 2023 because their socio-economic vulnerability made them easily manipulable and they attracted less attention from law enforcement.¹⁸
- 1.11.4. **Mule accounts and financial intermediation:** Juveniles are increasingly recruited to open bank accounts, share UPI credentials, or act as intermediaries for cryptocurrency or hawala transfers. Their accounts serve as low-risk conduits for large financial flows that otherwise might trigger banking scrutiny.
- 1.11.5. **Disposability and risk absorption:** Juveniles serve as expendable intermediaries, insulating higher-level organisers from prosecution. If a minor is apprehended, organisers can claim coercion or ignorance, maintaining legal and operational distance. This tactic is prevalent in Kerala gold smuggling, Mumbai narcotics distribution, and

¹⁸ Times of India. (2023, April 13). Minor orphans used as drug couriers in Ahmedabad: Cops.

Bareilly hawala operations, where repeated juvenile involvement indicates systematic exploitation rather than isolated incidents.

- 1.11.6. **Digital recruitment and cyber-enabled exploitation:** Beyond physical crimes, juveniles are increasingly recruited via social media, online gaming platforms, and WhatsApp groups to facilitate financial crimes remotely. These recruits may unknowingly provide access to bank accounts, wallets, or crypto exchanges, extending traditional mule-account models into the digital sphere.

Therefore, Juveniles are preferred for their low risk, legal protection, malleability, and expendability, which allows organised networks to maintain operations with minimal detection. Law enforcement agencies face a dual challenge: protecting the child while investigating and prosecuting criminal networks.

1.12. Modalities of Juvenile Exploitation:

Juveniles are used in organized economic crimes through multiple methods, reflecting both traditional smuggling operations and newer digital and financial strategies. Criminal networks exploit children's vulnerability, low visibility, and legal protections to maintain low-risk operations.

- 1.12.1. **Physical Couriers in Smuggling:** Children and adolescents are employed to carry gold, narcotics, wildlife products, or counterfeit items. Methods include swallowing capsules, hiding parcels in clothing, shoes, school bags, or small packages that appear innocuous. These juveniles often receive minimal payment or food as compensation, highlighting their exploitation.
- 1.12.2. **Drug Distribution and Child Couriers:** Street-level drug distribution increasingly involves minors, particularly in urban areas. NDPS enforcement records from Kerala, Gujarat, and Maharashtra show that children are used for last-mile deliveries, often in congested neighbourhoods where adults might attract attention. NCRB data and media reports confirm that juveniles are preferred because they are less likely to be suspected by police, and small quantities carried reduce potential legal risk for organisers.
- 1.12.3. **Mule Accounts in Hawala:** Hawala networks and informal money-laundering schemes frequently exploit juveniles to open bank accounts. Organisers advertise fake "part-time jobs" to lure children into sharing account details or handing over debit/ATM cards. Often, minors have no understanding of the criminal nature of these activities and are easily disposable when detected.

- 1.12.4. Debt Bonding and Trafficking: In many cases, children are forced into economic crime through coercion or trafficking. Families may push children into courier work to repay debts, while traffickers move minors across states to participate in smuggling, narcotics distribution, or hawala operations. These children are frequently unaware of the criminal implications of their actions and remain highly vulnerable to exploitation and abuse.
- 1.12.5. Cross-Commodity and Multi-Modal Exploitation: Organised networks often combine methods, using a single juvenile for multiple purposes. For instance, a child may carry contraband, deliver drugs, and simultaneously serve as a mule-account holder for digital transactions. This multi-role strategy increases operational efficiency for organisers while concentrating risk on the minor.
- 1.12.6. Counterfeit Currency Delivery: Juveniles are also used to transport fake currency, which is high-risk and illegal for adults. For example, in 2021, Uttar Pradesh police intercepted minors aged 15–17 delivering ₹50 lakh in counterfeit notes. Their age made them appear less suspicious, allowing organised networks to circulate fake currency safely.¹⁹

Juveniles are exploited in physical transport, street-level distribution, financial intermediation, digital operations, counterfeit currency, and trafficking networks. Their involvement is primarily a product of vulnerability, low visibility, and coercion, making them effective tools for organised crime while raising significant child-protection concerns.

1.13. Socio-Economic Drivers and Hotspots:

The exploitation of juveniles in organized economic crime is closely linked to structural vulnerabilities, regional migration, and urban labour dynamics. Understanding these drivers helps explain why certain children are targeted and which areas are most affected.

Children from poor families, slums, or orphanages are particularly vulnerable to exploitation in organized economic crimes. Poverty limits their access to education, jobs, and social support, while orphaned or abandoned children lack family supervision, making it easier for criminals to recruit them. Certain states such as Kerala and Tamil Nadu, with strong Gulf migration networks, act as hotspots for smuggling and courier recruitment, while Punjab, West Bengal, and Gujarat, with porous borders and trade hubs, facilitate trafficking and movement of contraband. Major cities like Delhi, Mumbai, and Ahmedabad serve as recruitment and

¹⁹ Times of India. (2021, October 12). Juveniles caught delivering counterfeit currency in UP.

operational hubs, where juveniles are used for tasks like money delivery, small-scale distribution, or courier work because urban anonymity and busy financial markets allow them to operate without attracting attention.

Trafficking and child labour are closely linked to these crimes. NCRB data from 2022 shows over 4,400 cases of juveniles involved in economic crimes, and a 2025 Economic Times report noted a 51% rise in child-labour rescues in Delhi, many trafficked from Bihar, Jharkhand, and West Bengal for courier or mule-account work.²⁰

Overall, juvenile exploitation is concentrated in poverty-stricken areas, orphanages, migration corridors, and urban centres, and trafficking and child labour worsen these vulnerabilities. Tackling these socio-economic factors is essential to prevent children from being drawn into organized economic crimes.

1.14. Legal, Regulatory, and Financial Safeguards for Juveniles in Economic Crimes:

India's legal and policy framework recognises that juveniles involved in economic crimes are often victims rather than offenders. Multiple statutes and regulatory measures provide protection, but enforcement gaps and overlapping jurisdictions create challenges.

1.14.1. **Juvenile Justice (Care and Protection of Children) Act, 2015:** The JJ Act distinguishes Children in Conflict with Law (CICL) from adults, ensuring special procedures and rehabilitation measures.

1. Section 10²¹ mandates that juveniles apprehended for any offence be placed before a Juvenile Justice Board (JJB), rather than standard police custody, ensuring age-appropriate care and monitoring.
2. Section 15²² allows 16–18-year-olds to be tried as adults only for heinous offences; economic crimes like smuggling, hawala, or minor financial fraud are generally excluded.

In *Pratap Singh v. State of Jharkhand*²³, the Supreme Court emphasised rehabilitation over punishment, highlighting that juveniles must be treated as victims of circumstances rather than fully culpable offenders.

1.14.2. **Narcotic Drugs and Psychotropic Substances (NDPS) Act, 1985:** The NDPS Act criminalises the possession, distribution, and trafficking of narcotics. Courts often

²⁰ National Crime Records Bureau. (2022). *Crime in India 2022*. Ministry of Home Affairs.

²¹ Juvenile Justice (Care and Protection of Children) Act, 2015 [No. 2 of 2016], §10.

²² Juvenile Justice (Care and Protection of Children) Act, 2015 [No. 2 of 2016], §15.

²³ *Pratap Singh v. State of Jharkhand*, (2005) 3 SCC 551.

distinguish between coerced juveniles and those acting voluntarily. For instance, *State of Rajasthan v. Gopal*²⁴, acknowledged mitigating circumstances where minors were involved, ensuring that punitive measures did not unfairly target exploited children. Enforcement agencies are directed to focus on organisers and adult facilitators, while the juvenile is provided rehabilitation and care.

1.14.3. **Prevention of Money Laundering Act, 2002 (PMLA):** PMLA addresses laundering of crime proceeds, including funds transferred through hawala or mule accounts. Juveniles often operate accounts unknowingly, creating a protective buffer: authorities pursue adult organisers as the primary offenders. For example, in Bareilly (2025), hundreds of minor-held accounts were used to channel illegal funds, highlighting enforcement challenges.

1.14.4. **Bharatiya Nyaya Sanhita, 2023:** The BNS 2023 strengthens organised crime provisions, including Section 111²⁵, which introduces enhanced penalties for crimes exploiting juveniles. This allows courts to target organisers while ensuring juveniles receive rehabilitation-focused interventions.

1.14.5. **Financial Safeguards:** The Reserve Bank of India (RBI) has issued KYC and Anti-Money Laundering guidelines requiring age verification for all account holders. Despite this, enforcement gaps persist: many banks do not strictly monitor minor-held accounts.

1. RBI Circular 2023: Directs banks to enhance monitoring of accounts held by juveniles, including transaction limits and reporting suspicious activity.²⁶
2. Practical Example: In Bareilly (2025), minors' bank accounts were used as conduits for hawala and small-scale fund transfers, demonstrating the need for stricter KYC and financial oversight.

The Indian legal and regulatory framework provides strong protection and rehabilitation measures for juveniles involved in economic crimes. However, enforcement gaps, especially in the financial sector, allow organised networks to exploit minors. Effective coordination between JJBs, law enforcement, financial regulators, and child welfare authorities is essential to prevent juvenile exploitation while targeting adult organisers.

1.15. Case Illustrations: Juveniles as Pawns in Economic Offences:

1.15.1. Kerala Gold Smuggling (2019–2024)

²⁴ *State of Rajasthan v. Gopal*, (2013) 14 SCC 237.

²⁵ Bharatiya Nyaya Sanhita, 2023 [No. 45 of 2023], §111.

²⁶ Reserve Bank of India. (2023). *Master circular on Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines for accounts held by minors.*

Between 2019 and 2024, multiple gold smuggling operations were intercepted in Kerala. Organised networks exploited Gulf-returning passengers, including juveniles who carried small parcels of gold in clothing, bags, or swallowed capsules. Customs authorities noted that minors were specifically used for low-weight consignments, which attracted less attention at airport security. Law enforcement observed that juveniles were often recruited through relatives, distant acquaintances, or local intermediaries, highlighting the systematic exploitation of vulnerable youth in economically motivated crime networks. Organisers were prosecuted under the Customs Act and BNS provisions on organised crime, while juveniles were referred to Juvenile Justice Boards for rehabilitation.²⁷

1.15.2. Ahmedabad Drug Couriers

In Ahmedabad, orphaned minors and street children were reportedly employed as street-level drug couriers in 2023. These juveniles transported small quantities of cannabis, MDMA, and synthetic drugs to local dealers. The organisers faced prosecution under the NDPS Act, whereas the children were placed under care of Child Welfare Committees and enrolled in counselling and skill-building programmes. Police investigations revealed recruitment through shelter homes and temporary shelters, with minors being promised food, small payments, or accommodation. The case demonstrates the dual role of juveniles as both victims and operational assets in narcotics networks.²⁸

1.15.3. Mule Account Networks (2024)

Enforcement Directorate (ED) investigations in 2024 exposed hundreds of bank accounts opened by juveniles as part of hawala and cryptocurrency laundering networks. Minors were recruited via online job scams promising part-time earnings; they shared account credentials, ATM cards, or acted as temporary intermediaries. These accounts facilitated large-scale fund transfers across multiple states, while the adult organisers remained insulated. ED initiated attachment proceedings against organisers under the PMLA, whereas juveniles were provided rehabilitation support and monitored for financial literacy and counselling.²⁹

1.15.4. Northeast Wildlife Trafficking (2022)

Between Assam, Tripura, and West Bengal, DRI and Wildlife Crime Control Bureau (WCCB) intercepted minors carrying pangolin scales and other wildlife parts destined for Kolkata markets. Children aged 12–16 were exploited by traffickers for low-risk courier duties, often under coercion or false promises of employment. The juveniles were placed under

²⁷ Lawful Legal. (2023). *Juveniles in Kerala smuggling cases*.

²⁸ Times of India. (2023, April 13). *Minor orphans used as drug couriers in Ahmedabad: Cops*.

²⁹ Enforcement Directorate. (2024, March 28). *Press Release – Part-Time Job Scam*.

rehabilitation schemes, while traffickers were prosecuted under the Wildlife Protection Act and BNS organised crime provisions. This case highlights how minors are involved beyond financial crimes, extending to natural resource and wildlife exploitation.³⁰

1.15.5. Delhi Cryptocurrency Mule Accounts (2023)

In Delhi, minors were recruited through social media platforms to open accounts linked to cryptocurrency wallets, which were then used to facilitate hawala transfers. ED investigations revealed that juveniles aged 15–17 were instructed to transfer small sums to multiple digital wallets, creating a complex laundering trail. Minors were unaware of the broader criminal purpose. Organisers faced PMLA prosecution, while juveniles were referred to JJBs for counselling, digital literacy, and reintegration programs.³¹

1.15.6. Maharashtra Fake Currency Delivery (2021)

In Maharashtra, juveniles aged 15–17 were intercepted delivering fake currency worth approximately ₹50 lakh between Pune and Mumbai. Investigations revealed that the minors had been coerced by debt-bonded adults in local gangs. Organisers were charged under the BNS and IPC for counterfeiting and organised crime, while juveniles were placed under Child Welfare Committee supervision. This case illustrates the intersections of coercion, trafficking, and financial crime involving minors, and the importance of separating punishment from protection in juvenile cases.³²

1.16. Critical Insights and Observations:

Juveniles involved in organized economic crimes in India occupy a complex space between victimhood and culpability. While they may technically commit acts such as carrying contraband, distributing drugs, facilitating hawala transfers, or delivering counterfeit currency, many of these actions are performed under coercion, manipulation, or economic pressure. Poverty, orphanhood, and trafficking often leave minors with little choice but to comply with organisers' instructions. This creates a protection versus prosecution paradox, where the law must balance holding individuals accountable with ensuring that vulnerable children are not unfairly punished, as highlighted in *Sheela Barse v. Union of India*³³.

The challenge is compounded by significant data gaps, as NCRB reports provide only aggregated statistics and fail to disaggregate economic crimes by juvenile involvement or type

³⁰ Wildlife Crime Control Bureau. (2022). *DRI & WCCB interceptions of minors in wildlife trafficking*. Ministry of Environment, Forests, and Climate Change.

³¹ Enforcement Directorate. (2024, March 28). *Press Release – Part-Time Job Scam*.

³² Hindustan Times. (2021, June 17). *Maharashtra minors caught delivering fake currency*.

³³ *Sheela Barse v. Union of India*, AIR 1986 SC 1773.

of offence. This makes it difficult for policymakers, law enforcement, and child-protection agencies to assess the scale of exploitation or design targeted interventions.

Financial vulnerabilities further exacerbate the problem. Juveniles often operate bank accounts, digital wallets, or UPI-linked platforms with minimal monitoring, creating an easy conduit for hawala transfers, cryptocurrency operations, and small-scale money laundering. Rapid turnover of juvenile accounts and low financial literacy allow organisers to maintain anonymity and distance from criminal activity, while minors shoulder the operational and legal risks. Organisers strategically exploit these factors, combining physical courier work, digital transfers, and mule-account operations to create multi-layered networks that are difficult to trace.

Juveniles are frequently rotated in these networks to reduce exposure, ensuring the continuity of operations while keeping adult organisers insulated. Institutional responses remain fragmented: Juvenile Justice Boards and Child Welfare Committees focus on rehabilitation but often lack training in economic crime contexts, while enforcement agencies like ED, Customs, and police may not integrate child-protection mechanisms into investigations. This siloed approach reduces the effectiveness of interventions, leaving juveniles exposed to repeated exploitation.

Adding to the complexity, emerging digital methods of recruitment, including social media scams, fake part-time job offers, and cryptocurrency platforms, have expanded the reach of criminal networks. These platforms enable organisers to recruit vulnerable youth without direct contact, increasing both operational efficiency for criminals and risk for minors.

Overall, the analysis reveals a systemic pattern: juveniles are consistently used as expendable intermediaries in economic crimes, the full scale of which is obscured by reporting gaps, enforcement limitations, and rapidly evolving digital mechanisms. Without targeted reforms, awareness programs, financial monitoring, and inter-agency coordination, the exploitation of minors in organized economic crimes is likely to continue and expand across both physical and digital domains.

1.17. Recommendations:

Addressing the exploitation of juveniles in organized economic crimes in India requires a multi-pronged and coordinated approach that combines enforcement, protection, rehabilitation, and prevention.

1.17.1. First, *specialised Juvenile Economic-Crime Cells* should be established at both state and central levels, bringing together the Enforcement Directorate (ED), Financial

Intelligence Unit (FIU), Juvenile Justice Boards (JJBs), Child Welfare Committees (CWCs), and cybercrime experts. These cells would facilitate real-time information sharing, coordinated investigations, and child-sensitive handling of cases.

- 1.17.2. Second, ***tech-enabled monitoring of juvenile accounts and digital transactions*** is crucial. Artificial intelligence and data analytics can flag suspicious high-throughput accounts, repeated small transfers, or unusual cryptocurrency activity involving minors, enabling preventive interventions before exploitation escalates.
- 1.17.3. Third, ***community outreach programs*** should focus on vulnerable populations in slums, orphanages, and migration corridors. Awareness campaigns on financial literacy, anti-trafficking measures, and the risks of online scams can reduce juveniles' susceptibility to recruitment, while partnerships with NGOs can provide local support networks and reporting mechanisms.
- 1.17.4. Fourth, ***legal reforms*** are necessary to ensure juveniles are treated primarily as victims. A presumption of coercion should apply to all minors involved in economic crimes unless proven otherwise, and mandatory investigations must target organisers and adult facilitators.
- 1.17.5. Fifth, ***research and data collection*** must improve, with NCRB and other agencies publishing age-disaggregated statistics on juvenile involvement in economic crimes to inform policymaking, resource allocation, and intervention strategies.
- 1.17.6. Sixth, ***a rehabilitation-first approach*** must guide all juvenile interactions, including counselling, skill development, educational reintegration, and restorative justice programs, rather than punitive measures. Seventh, financial sector collaboration is essential. The Reserve Bank of India (RBI), ED, and banks should create mechanisms to share trends in suspicious juvenile account activity and develop standard operating procedures to prevent exploitation in both physical and digital financial systems.
- 1.17.7. Finally, ***cross-border and interstate collaboration*** is critical, particularly for minors exploited in Gulf-linked smuggling routes, Northeast wildlife trafficking corridors, and interstate narcotics or hawala networks. Coordinated efforts with border control, customs, and regional law enforcement can disrupt juvenile exploitation while ensuring safe repatriation, protection, and rehabilitation of minors.

Together, these measures provide a comprehensive framework to reduce juvenile exploitation, safeguard children's rights, and dismantle the structural mechanisms that allow organized economic crime to thrive.

1.18. Conclusion:

Juveniles are increasingly used as pawns in organized economic crimes in India, including smuggling, hawala operations, narcotics distribution, counterfeit currency delivery, and even digital financial scams. Most of these children are not willing participants but are coerced, manipulated, or exploited due to poverty, orphanhood, lack of education, or trafficking. Their involvement highlights a major challenge for the legal and enforcement system: how to protect children while also investigating and prosecuting the crimes committed by adult organisers. India's laws, including the Juvenile Justice (Care and Protection of Children) Act, NDPS Act, PMLA, and the Bharatiya Nyaya Sanhita, provide strong safeguards for minors and emphasize rehabilitation over punishment. However, enforcement agencies often face gaps due to limited training, data, and coordination between child-protection and financial crime authorities. The rise of digital tools, social media recruitment, and cryptocurrency has further increased the risk of juvenile exploitation.

To address this, India needs integrated measures: specialised juvenile economic-crime cells, stronger monitoring of accounts and digital transactions, legal reforms that presume coercion, targeted awareness and community programs, better data collection, and a rehabilitation-first approach for rescued minors. Cross-border and interstate cooperation is also vital to stop juveniles being exploited in smuggling and trafficking corridors. Only by combining protection, enforcement, and rehabilitation can India break the cycle of juvenile exploitation, safeguard children's rights, and effectively disrupt organized economic crime networks.

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