

commitment to economic and social justice compelled the newly formed government to transform this unequal structure. Land reforms were therefore not merely economic strategies—they were constitutional duties aimed at fulfilling the Preamble's ideals.

The government introduced sweeping reforms such as abolition of intermediaries, land ceiling laws to prevent excessive accumulation of land, redistribution of surplus land to the landless, strengthening tenancy protections, and promotion of cooperative farming. These reforms aimed to dismantle feudal structures, empower marginalized rural populations, and create a more equitable distribution of economic resources. Predictably, many landlords challenged these reforms, arguing that they violated their constitutional right to property.

However, the judiciary consistently upheld the validity of land reforms by interpreting them through the lens of the Preamble. In *State of Rajasthan v. Mohan Lal Vyas* (1971), the Supreme Court recognized that the State has the authority to regulate, control, or even monopolize economic activity if doing so serves broader public welfare and promotes equality. The Court emphasized that reducing rural inequality and eliminating exploitation were constitutionally legitimate goals anchored in the Preamble's guarantee of justice. This era cemented the understanding that the Preamble authorises strong State intervention when necessary to achieve a fair and just social order.

2. Bank Nationalisation and Balancing Liberty with State Power (1970)



By the late 1960s, India's banking sector was dominated by private industrial houses that largely served the interests of wealthy urban clients and large corporations. Rural regions, agriculture, and small-scale industries—sectors essential for national development—received minimal credit support. To fulfil the Preamble's vision of economic justice, the government nationalised 14 major private banks in 1969, hoping to direct financial resources toward development, employment generation, and poverty reduction.

Nationalisation, however, raised serious constitutional questions. Could the State take over private businesses without violating individual liberty and property rights? This issue reached the Supreme Court in *R.C. Cooper v. Union of India* (1970). In this landmark judgment, the Court upheld the government's power to nationalise banks but laid down crucial safeguards. It ruled that while nationalisation is permissible in pursuit of public interest, the State must still respect **Article 19(1)(g)** (freedom to practise any profession or trade), provide fair compensation, and ensure that the rights of shareholders are directly considered under the **Direct Effect Doctrine**.

The judgment did not strike down nationalisation but clarified that economic justice must be balanced with individual liberty. The Preamble's goals cannot be pursued in a manner that undermines fairness or violates constitutional freedoms. This case marked the evolution of economic constitutionalism, signalling a shift from unrestrained State control toward a more balanced approach in which both societal welfare and personal rights coexist harmoniously.

3. Liberalisation and Competitive Markets After 1991

By the late 1980s, the Indian economy suffered from excessive regulation, red-tapism, slow growth, lack of competition, and widespread bureaucratic inefficiency. The economic crisis of 1991 forced India to rethink its development strategy. The government shifted from a State-controlled economy to a market-oriented, competition-driven, and globally integrated economic model. Licensing barriers were reduced, foreign investment was encouraged, and markets were opened to innovation and entrepreneurship.

The judiciary played a supportive role during this transition by interpreting the Preamble in a modern, evolving manner. In **Mithilesh Garg v. Union of India (1992)**, the Supreme Court upheld economic reforms that removed permit requirements for transport operators. The Court observed that increased competition leads to lower prices, better services, and wider economic opportunities. Promoting competition was thus consistent with the Preamble's mandate of economic justice, because justice is not limited to redistribution—it also involves removing artificial barriers that prevent individuals from earning a livelihood or pursuing entrepreneurship.

This period demonstrated the Preamble's remarkable adaptability. In the socialist era, it justified State intervention to correct inequality. In the liberalisation era, it supported the expansion of economic freedom. The Preamble's ideals were therefore flexible enough to guide both welfare-driven and market-driven policy shifts, depending on the needs of the nation.

4. The Digital Economy and RBI's Cryptocurrency Ban (2020)

RBI bans traders from dealing in cryptocurrency

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Central bank plans to launch its own digital currency

THE RBI has restricted entities regulated by it from dealing with or providing services to any individual or business entity dealing with or settling virtual currencies. However, RBI also has constituted an inter-departmental group to study the desirability and feasibility of a 'central bank digital currency'.
The RBI finds that virtual currencies also referred to as crypto currencies and crypto assets raise concerns of consumer protection, market integrity and money laundering, among others. The bank said that it has repeatedly cautioned users, holders and traders of virtual currencies, including Bitcoins, regarding various risks associated in dealing with such virtual currencies.

"In view of the associated

risks, it has been decided that, with immediate effect, entities regulated by RBI shall not deal with or provide services to any individual or business entities dealing with or settling virtual currencies. Regulated entities which already provide such services shall exit the relationship within a specified time," the RBI said.

The decision will affect the business of virtual currencies as banks have been involved in transferring money to them on behalf of the clients who deal with virtual currencies.

The meteoric rise and then a fall in the value of cryptocurrency bitcoin in 2017 had raised concerns across nations. Since reaching a peak of almost \$20,000 in early December last year, value of bitcoin has come down substantially. Some of the countries who are now regulating cryptocurrencies in-



clude China, Japan and South Korea.

While central banks across the world have been wary of the rising market cap of Bitcoins, the RBI has taken the first step by barring RBI regulated entities from providing any services to individuals or

businesses dealing in these digital currencies. The RBI has been consistently warning Bitcoin traders in India against dealing in these digital currencies as they were fraught with default risk and hacking risks. Also, Bitcoins operated more as a shadow monetary system in the world, found Angel Broking.

However, RBI also acknowledged that technological innovations, includ-

ing those underlying virtual currencies, have the potential to improve the efficiency and inclusiveness of the financial system. It also found that central banks across the world are exploring introduction of digital currencies.

"Rapid changes in the landscape of the payments industry along with factors such as emergence of private digital tokens and the rising costs of managing fiat paper/metallic money have led central banks around the world to explore the option of introducing fiat digital currencies," it said.

While many central banks are still engaged in the debate, an inter-departmental group has been constituted to study and provide guidance on the desirability and feasibility to introduce a central bank digital currency. The report will be submitted by end-June 2018, it added.

In the 21st century, India entered the digital economy, where financial technology (fintech), digital payments, and blockchain-based assets such as cryptocurrencies challenged traditional regulatory frameworks. In 2018, the Reserve Bank of India (RBI) issued a circular that barred

banks from providing services to cryptocurrency exchanges. While not banning cryptocurrencies outright, the circular effectively crippled the industry by cutting off banking access. The RBI justified this move by citing concerns about consumer protection, money laundering, economic instability, and financial fraud—all issues linked to the Preamble's goals of justice and public welfare.

However, the crypto industry challenged the circular, arguing that the ban was disproportionate, unsupported by evidence, and harmful to innovation. In *Internet and Mobile Association of India v. RBI (2020)*, the Supreme Court struck down the circular by applying the doctrine of proportionality, which requires that restrictions on fundamental rights must be reasonable, evidence-based, necessary, and the least restrictive option available. The Court held that the RBI failed to provide concrete evidence of harm caused by cryptocurrencies and that a blanket ban violated **Article 19(1)(g)**, the freedom to conduct trade or business.

Importantly, the Court did not reject the State's regulatory authority. Instead, it insisted that regulation must be balanced, fair, and consistent with the Preamble's vision of liberty, justice, and economic development. This case demonstrated that the Preamble remains relevant even in modern technological contexts, acting as a constitutional compass in digital markets, fintech innovation, and economic policy.