GAHC010260582023

2026:GAU-AS:6273

THE GAUHATI HIGH COURT
(HIGH COURT OF ASSAM, NAGALAND, MIZORAM AND ARUNACHAL PRADESH)

Case No. : WP(C)/6740/2023

AXIS BANK LTD
HAVING ITS CORPORATE OFFICE AT AXIS HOUSE, C-2,
WADIA INTERNATIONAL CENTRE,
PANDURANG BUDHKAR MARG, WORLI,
MUMBAI- 400025.
HAVING ITS BRANCHES AT-
(A)- UDYOG VIHAR BRANCH, VANIJYA NIKUNJ,
ENKAY TOWER, GURUGRAM, HARYANA,
PIN- 122016..
(B). SECTOR 21 C, BRANCH, FARIDABAD, GROUND FLOOR AND BASEMENT,
SCF/ SCO NO. 141, SECTOR-21C, HUDA,
FARIDABAD, HARYANA, PIN- 121003.
THE BANK IS REPRESENTED BY/ THROUGH ITS BRANCH MANAGER MR. RUPAM BHUYAN,
GUWAHATI BRANCH GROUND FLOOR,
CHIBBER HOUSE, GS ROAD, DISPUR, GUWAHATI, KAMRUP(M),
ASSAM- 781005.

VERSUS

ENFORCEMENT DIRECTORATE AND 5 ORS
THROUGH ITS ASSISTANT DIRECTOR,
GUWAHATI ZONE-I, RJGARAH ROAD,
BYE LANE NO. 1, HOUSE NO. 20, 2ND FLOOR,
GUWAHATI- 781003, DISTRICT- KAMRUP(M).

2:DEPUTY DIRECTOR
ENFORCEMENT DIRECTORATE
DIMAPUR SUB-ZONEL OFFICE

GUWAHATI

RAJGARAH ROAD
BYE LANE NO. 1

HOUSE NO. 20
2ND FLOOR
GUWAHATI- 781003

DISTRICT- KAMRUP(M).

3:MAHENDRA SHELAR
INSPECTOR OF POLICE

PELHAR POLICE STATION

MIRA-BHAYENDER-VASAI-VIRAR

VARTAK VASAHAT
VANGNPADA

PELHAR
PIN- 401209
MAHARASTRA.

4:N. RAMU
INSPECTOR OF POLICE

CYBER CRIME POLICE STATION

RACHAKONDA POLICE COMMISSIONERATE

L.B. NAGAR
HYDERABAD

TELENGANA
PIN- 500074.

5:LEHRAJ SIYAG
INSPECTOR STATION HOUSE OFFICER

POLICE STATION
MAHAMANDIR

JODHPUR(E)
RAJASTHAN.

6:CYBER ECONOMIC AND NARCOTIC CRIME
POLICE STATION
EAST DIVISION

BANGALORE- 560051

Advocate for the Petitioner : MR. P DAS,

Advocate for the Respondent : SC, ED,

:::BEFORE:::

HON'BLE MR. JUSTICE N. UNNI KRISHNAN NAIR

Date of Hearing : 21.01.2026

Date of Judgment : 30.04.2026

Judgment and Order (CAV)

Heard Mr. P Das, learned counsel, appearing for the petitioner. Also heard Mr. R K D Choudhury, learned Dy. S.G.I, appearing for the respondents.

2. The petitioner by way of instituting the present writ petition has assailed the orders dated 03-10-2023 and 17-10-2023, issued by the Authorized Officer/Assistant Director, Enforcement Directorate, Guwahati, Zonal Office, directing the petitioner to make a Demand Draft of the frozen amount in 2 (two) accounts maintained with petitioner Bank, in favour of the "Joint Director", Enforcement Directorate, payable at Guwahati.

3. The petitioner bank was maintaining accounts of 2 (two) customers namely "Virtous Payment Solutions LLP", and "Wonder Enterprises" at its Udyog Vihar Branch, Gurugram, Haryana, and Faridabad, Sector-21 C, Faridabad Branch, Faridabad, Haryana respectively.

It is further projected that the Cyber Crime Police Station, Kohima, Nagaland, had registered one FIR, vide Crime No.03/2021, dated 08-10-2021 for offence committed under Section 420/120B of IPC read with Section 66 (D) of the Information Technology Act. Offences punishable under Section 420, 120B IPC, being scheduled offences under Paragraph-1 of Part A of the Prevention of Money Laundering Act, 2002, an ECIR was registered, vide ECIR No.GWZO-11/09/2022, dated 12-04-2022, for investigation, under the provisions of the said Act of 2002. Similar proceedings came to be instituted by the Cyber Crime Police Station, Hyderabad. Notice under Section 91 Cr.P.C., came to be issued to the petitioner bank, whereby, the petitioner bank was asked to provide the details of bank Account No.922020031689839 of "Virtous Payment Solutions", which was contended to be necessitated for investigation in connection with FIR No.37/2023 of Cyber Crime Police Station, Rachakonda, Hyderabad. The petitioner responded to the said notice and had submitted all the details of the bank account so highlighted.

It is further projected that the petitioner bank's branch at Udyog Vihar had also received notices on various dates from Pelhar Police Station, Maharashtra, whereby, the concerned police station had sought for information regarding various transactions done and for marking debit freeze in the account of "Virtous Payment Solutions" maintained with Udyog Vihar Branch. Such notices was also projected to have been received from Mahamandir Police Station, Rajasthan, and Cyber Crime Police Station, Bangalore, with regard to requiring information of various transactions made in the account of "Wonder Enterprises" and for marking 'debit freeze' in the said account maintained with the Sector-21C Faridabad Branch, of the petitioner bank.

It is further projected that during the pendency of the said queries, the Enforcement Directorate had investigated into the matter and on completion of investigation, the Assistant Director/Authorized Officer, Enforcement Director, Zone 1, Guwahati, had passed an order on 21-04-2023, directing the petitioner bank to freeze the bank account standing in the name of "Virtous Payment Solutions LLP" and also in the name of "Wonder Enterprises", at the respective branches of the petitioner Bank.

It is projected that the Assistant Director/Authorized Officer had thereafter, filed an application before the "Adjudicating Authority" at New Delhi, under the provisions of the Prevention of Money Laundering Act, 2002, which was registered as O.A. No.870/2023.

The Adjudicating Authority on consideration of the matter vide order dated 26-09-2023, had confirmed the order of freezing dated 21-04-2023 passed by the Assistant Director/Authorized Officer, to freeze the account standing in the name of "Virtous Payment Solutions" and "Wonder Enterprises", maintained with the petitioner bank.

Upon passing of the said order dated 26-09-2023 in O.A.No.870/2023, the Authorized Officer had issued a communication dated 03-10-2023, requiring the petitioner bank to make a Demand Draft of the frozen amount in favour of the Joint Director, 'Enforcement Directorate' payable at Guwahati. The petitioner on receipt of the said communication had responded to the same by highlighting that the accounts involved had already been debit-freezed and had brought to the notice of the Enforcement Directorate authorities about such demand being made with regard to the said account by various Police Investigating Authorities. Accordingly, the authorities of the Enforcement Directorate was requested by the petitioner bank to take up the matter with the various police authorities and to obtain their approval in writing prior to instructing the bank to lift the freeze for allowing any transaction with regard to the said 2 (two) accounts otherwise, it was projected that the same would result in violation of instructions/orders received from statutory and law enforcement agencies.

It is also projected in the writ petition, that the petitioner Bank had communicated with the police authorities who had issued to them notices under Section 91 CrPC, pertaining to the accounts, in question, requesting the authorities for furnishing No Objection from their end for complying with the directions passed by the Enforcement Directorate authorities.

It is submitted that the Enforcement Directorate authorities, ignoring the prayer made by the petitioner, had vide communication dated 17-10-2023, issued by the Authorized Officer, required the petitioner to hand over the amount available in the Frozen account maintained in the name of "Virtous Payment Solutions LLP", with the petitioner bank. The said communication was followed by a further communication dated 02-11-2023, wherein, the Authorized Officer of the Enforcement Directorate had directed the petitioner Bank to hand over the amount available in the frozen account maintained in the names of "Virtous Payment Solutions LLP" and "Wonder Enterprises" with the petitioner bank.

Being aggrieved by the above actions, the petitioner has instituted the present writ petition.

4. The learned counsel for the petitioner by reiterating the facts noticed, hereinabove, has submitted that the said accounts being directed to be kept debit-freezed by various Police authorities and notices under Section 91 Cr.P.C, in this connection being issued to the petitioner bank, the petitioner bank was not in a position to unfreeze the said account and to transfer the amounts involved in the said accounts to the Enforcement Directorate, without first receiving No Objection for the purpose from the various Police authorities involved in the matter.

It is submitted that, in the event, the petitioner bank is to comply with the directions issued by the Enforcement Directorate authorities in the matter, they would be faced with similar liability before other statutory authorities investigating the same matter. It is further submitted by the learned counsel for the petitioner that, in the event, similar requests are also made by other Investigating Agencies, investigating into the matter, the same would cause prejudice to the interest of the petitioner bank and accordingly, the present writ petition was so instituted.

5. Per contra, Mr. R K D Choudhury, learned Dy. S.G.I, appearing for the respondents Authorities has submitted that once the freezing order has been confirmed, the Enforcement Directorate issues notices to take possession of the property under Section 8 (4) of the Act of 2002. It is accordingly, submitted, that it is only after the Adjudicating Authority had confirmed the freezing order, the Authorized Officer had issued notices to the petitioner Bank for taking possession of the amounts so available in the frozen accounts. It is submitted that in the said background, the orders issued by the Authorized Officer in the matter would not mandate any interference from this Court.

6. Mr. R K D Choudhury, learned Dy. S.G.I, further by referring to the provisions of Section 71 of the Act of 2002, summits that the same provides for overriding effect of the Act of 2002, over all other laws. It is submitted that the Yeshwantpur Branch of the petitioner Bank, under similar circumstances, had despite having multiple freezing instructions, handed over the amount available in the frozen account involved, to the Enforcement Directorate. Accordingly, it is submitted that the petitioner bank is required to comply with the directions passed in the matter by the Authorized Officer of the Enforcement Directorate.

7. I have heard the learned counsel for the parties and also perused the materials available on record.

8. This Court takes note of the provisions of the Act of 2002, and more particularly to the provisions of Section 8, whereby, the Adjudicating Authority had been empowered to confirm a provisional attachment made in terms with Section 5 of the Act of 2002. It is also seen from a perusal of Section 8(3) and 8(4) of the Act of 2002, that after an order is passed by the Adjudicating Authority and the provisional order of attachment is confirmed, the Director or any other Officer authorized by him, shall forthwith take possession of the property attached under Section 5 or frozen under Sub-Section 1(A) of Section 17 of the Act of 2002, in such manner as may be prescribed.

9. The Enforcement Directorate, by following the provisions of the Act of 2002, after the Adjudicating Authority had confirmed the order issued towards freezing of the accounts maintained by the petitioner bank in the name and style "Virtous Payment Solutions LLP" and "Wonder Enterprises", proceeded to issue communications to the petitioner Bank to hand over the possession of the amounts as available in the frozen accounts.

10. From the contentions raised by the petitioner in the writ petition and also the arguments of learned counsel for the petitioner, this Court finds that the petitioner Bank in the present proceedings have projected the predicament it would stand to face, in the event, the petitioner Bank hands over possession of the amounts involved in the said 2 (two) frozen accounts to the Enforcement Directorate and similar requests are raised by the other Investigating Agencies, investigating into the same matter. The said issue need not detain this Court from disposing of the present writ petition, inasmuch as, from the provisions of the Act of 2002, more particularly Section 84, it is clear that on an provisional order of attachment being confirmed, the Director or any other Officer authorized by him in this behalf shall forthwith take possession of the property attached under section 5 or frozen under Sub Section 1(A) of Section 17, in such manner as may be prescribed. Further Section 71 of the Act of 2002, provides for an overriding effect to the Act of 2002, over all other laws. Accordingly, the offences involved being scheduled offences under the Act of 2002 and the Act of 2002, specifically deals with the issue of money laundering, the amount involved in the above 2 (two) accounts would be required to be handed over to the authorities of the Enforcement Directorate in terms of the communications issued in this connection by it.

11. The apprehension of the petitioner that after handing over the frozen amount to the authorities of the Enforcement Directorate, in the event similar demands are raised by other investigating Agencies, a prejudice would be caused to the petitioner Bank and also they would be required to face proceedings in the matter, can be redressed by this Court by observing that,the compliance by the petitioner bank of the instructions issued by the Authorized Officer of the Enforcement Directorate to hand over to him the amount involved in the 2 (two) frozen accounts, would be subject to the Trial as mandated under the provisions of Section 8 (6) of 2002. Accordingly, upon handing over of the amount involved in the above frozen accounts to the Enforcement Directorate, in the event, of any such further requirement being raised by any of the Investigating Agencies involved in the matter, the petitioner Bank can produce before such Investigating Authorities, the acknowledgement of the receipt of the amount involved in the frozen accounts by the Authorized Officer of the Enforcement Directorate.

12. In view of the above conclusions, the petitioner bank is required to hand over the frozen amount lying in the aforementioned accounts in favour of the Joint Director, Enforcement Directorate in the manner as directed by it. The Authorized Officer on receipt of the said Demand Draft shall issue due acknowledgement, thereof, to the petitioner Bank, which would now be produced by the petitioner Bank, before the other Investigating Agencies involved in the matter, in the event of any demand for being handed over the amount involved in the frozen accounts is so raised.

13. This Court further provides that the above observations and directions made is so made only with regard to the present *lis* before this Court and the observations so made be not construed to have confirmed on adjudication the order of the Adjudicating Authority.

14. With the above observations and directions, the present writ petition stands disposed of.

JUDGE

Comparing Assistant