NC: 2026:KHC:17624
WP No. 19405 of 2025

HC-KAR

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF MARCH, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 19405 OF 2025 (GM-RES)

BETWEEN:

1. MR. DEEPAK GUPTA
S/O HANS RAJ GUPTA
PROPRIETOR
AGED ABOUT 60 YEARS.
REPRESENTING DEEPAK ELECTRICAL
INDUSTRIES
R/AT C-126, RAMESH NAGAR
NEAR METRO STATION
NEW DELHI-110015.

...PETITIONER

(BY SRI. VIJIKUMAR .A, ADVOCATE)

AND:

1. NATIONAL CYBER CRIME
REPORTING PORTAL
REPRESENTED BY ITS
NODAL OFFICER, NATIONAL HIGHWAY
8, MAHIPALPUR, NEW DELHI - 110037.

2. THE STATE OF KARNATAKA

BY THE INSPECTOR OF THE POLICE
EAST CEN CRIME POLICE STATION
BANGALORE BROADWAY ROAD
SHIVAJI NAGAR, BANGALORE - 560051
REPRESENTED HEREIN BY THE STATE.
PUBLIC PROSECUTOR

3. ICICI BANK
REPRESENTED BY ITS
BRANCH MANAGER
ICICI BANK CHANDNI CHOWK
1486, CHANDNI CHOWK, DELHI-110006.

...RESPONDENTS

(BY SMT. NAVYA SHEKHAR, AGA FOR R1 AND R2;
SRI. B.S. JEEVAN KUMAR, ADVOCATE FOR R3)

THIS W.P. IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO DIRECT R2, EAST CRIME POLICE, TO INSTRUCT R3, ICICI BANK, CHANDNI CHOWK BRANCH, DELHI, TO REMOVE THE LIEN ON THE PETITIONER'S ICICI BANK ACCOUNT BEARING NO.62905033443 AND ETC.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The petitioner is aggrieved by the action of respondent No.3 in freezing the petitioner's Bank Account bearing No.62905033443. Being dissatisfied with the said action, the present petition is filed seeking a direction to respondent No.2 to instruct respondent No.3–Bank to remove the lien/freezing imposed on the aforesaid bank account.

2. Heard the learned counsel appearing for the petitioner, the learned Additional Government Advocate appearing for respondent No.2, and the learned standing counsel appearing for respondent No.3–Bank. Perused the material on record.

3. The petitioner is the sole proprietor of Deepak Electrical Industries, a business established in the year 1990, and is maintaining a bank account with respondent No.3–Bank. It is the case of the petitioner that the said bank account came to be frozen pursuant to two inward

transactions received from the petitioner's vendor, namely S.P. Chemicals, dated 19.11.2024, amounting to Rs.4,41,000/- and Rs.4,00,000/- respectively.

4. Aggrieved by the freezing of the account, the petitioner approached the jurisdictional Magistrate by filing an application under Sections 497 and 503 of the Bharatiya Nagarik Suraksha Sanhita, 2023, seeking defreezing of the bank account. The learned Magistrate, however, declined to exercise jurisdiction under Sections 451 and 457 of the Code of Criminal Procedure, 1973 on the ground that no FIR had been registered and that there was no formal communication placed on record regarding the freezing of the account. On these premises, the application came to be rejected.

5. Having heard the learned counsel appearing on both sides, this Court finds that certain observations made by the learned Magistrate while declining to entertain the application have a direct bearing on the legality of the

action of respondent No.3–Bank in freezing the petitioner's account based on the intimation received from the investigating agency. Therefore, this Court deems it appropriate to extract the order sheet dated 07.04.2025 passed by the learned Magistrate.

> *"The above named applicant has filed the present application under Sections 451 and 457 of Cr.P.C., to defreeze his bank account No.62905033443 held in ICICI Bank.*
>
> *2. The petitioner has stated that his above said accounts have been freezed by the police, as such he is not in a position to operate the said account. He has stated that he is no way connected to this case. He has further stated that the freezer is not in accordance with law. Hence, he has prayed to defreeze the accounts. <u>In this case, the I.O. report is called after receipt of the application. In the IO report, the I.O. has clearly stated that the above mentioned account is not freezed by the East CEN police in this crime. He has further stated that the account was freezed in the NCRB portal, but the freezer is not related to this crime and not ordered by the East CEN police. It is further stated by the I.O. that there is no freezer details available even in NCRB portal pertaining to the account</u>. Therefore, he has prayed to reject the application.*

3. Heard the arguments and perused the materials available on record.

4. It is a settled principle of law that in order to invoke the jurisdiction under Sec.451 & 457 of Cr.P.C, there shall be freezer of the account and that freezer should have been reported to the Magistrate. Without there being a freezer and reporting of the freezer to the Magistrate, the application seeking defreeze of the account is not maintainable. In the case on hand, the IO has stated that there is no freezer order of the above said account by the East CEN police in this crime. Hence, there is no question of defreeze of the said account by this court. Hence, the application filed by the petitioner is devoid of merits.

Hence, I proceed to pass the following:

<u>ORDER</u>

The application filed by the applicant by name Deepak Gupta under Sec.497 and 503 of BNSS, is hereby rejected.

No order as to costs."

[Emphasis Supplied]

6. Upon a careful reading of the extracted portion of the order sheet, two significant and determinative facts

emerge. Firstly, the learned Magistrate, on the basis of the statement made by the Investigating Officer, has specifically recorded that, as on the date of consideration, no crime has been registered which could be said to have necessitated the freezing of the petitioner’s bank account. Secondly, the Investigating Officer has categorically stated that the East CEN Police have not issued any communication or requisition to respondent No.3–Bank directing the freezing of the petitioner’s account.

7. The Investigating Officer has further clarified that although the account appears to have been flagged or reflected in the NCRB portal, the present petitioner has no nexus whatsoever with the alleged crime in question, and that such freezing was not effected at the instance of the East CEN Police. It is further stated that there are no concrete or traceable details available even in the NCRB portal pertaining to the freezing of the petitioner’s account. These statements, recorded by the learned

Magistrate, go to the root of the matter and assume considerable significance.

8. If the aforesaid crucial facts, as recorded by the learned Magistrate, are taken into consideration, this Court is of the considered view that the action of respondent No.3–Bank in marking a lien and freezing the petitioner's bank account is wholly arbitrary and unsupported by any lawful justification. There is absolutely no material placed on record to indicate that the amounts credited to the petitioner's account are prima facie tainted or constitute proceeds of crime. In the absence of any such foundational material, the drastic action of freezing the petitioner's account cannot be sustained in law.

9. Such an action has the effect of seriously impinging upon the petitioner's fundamental right to carry on trade and business guaranteed under Article 19(1)(g) of the Constitution of India. Further, the petitioner is deprived of the use and enjoyment of his property, namely, the monies lying in the bank account, thereby

infringing his constitutional right under Article 300A of the Constitution of India.

10. This Court is of the considered opinion that freezing of a bank account is a serious and drastic measure, which cannot be resorted to lightly or in a mechanical manner. Such action must necessarily be preceded by a valid and lawful communication issued by the competent Investigating Agency, clearly indicating the reasons for such freezing, particularly that the amounts lying in the account are suspected to be proceeds of crime or are otherwise linked to any cognizable offence under investigation.

11. In the absence of such a communication or foundational material, any unilateral action by the bank in freezing an account would be legally unsustainable.

12. In the present case, the Investigating Officer himself has made an unequivocal statement before the jurisdictional Magistrate that the marking of lien on the

petitioner's account was not preceded by any communication or requisition from the Investigating Agency. In light of the same, this Court has no hesitation in holding that the action of respondent No.3–Bank in freezing the petitioner's account is arbitrary, unreasonable, and violative of settled legal principles. The said action has caused undue hardship and prejudice to the petitioner, particularly in the context of his ongoing business operations.

13. This Court is therefore satisfied that this is a fit case warranting interference under Article 226 of the Constitution of India, and a writ in the nature of mandamus deserves to be issued directing respondent No.3–Bank to defreeze the petitioner's account.

ORDER

(i) The writ petition is hereby ***allowed***;

(ii) Respondent No.3–Bank is directed to forthwith defreeze the petitioner's Bank Account bearing No.62905033443 and permit the petitioner to operate the same without any restriction. Consequently, the lien marked on the said account shall stand withdrawn;

(iii) It is, however, made clear that this order shall not preclude or impede any Investigating Agency from initiating appropriate action in accordance with law, if any incriminating material is discovered in future warranting such action.

SD/-
(SACHIN SHANKAR MAGADUM)
JUDGE

CA
List No.: 1 Sl No.: 38