



A.F.R.

IN THE HIGH COURT OF ORISSA AT CUTTACK

CRLMC No.4116 of 2025

(In the matter of an application under Section 482 of the Cr.P.C read with Section 528 of the Bharatiya Nagarik Suraksha Sanhita)

Loknath Mohanty

....

Petitioner (s)

-versus-

State of Odisha & Anr.

....

Opposite Party (s)

Advocates appeared in the case through Hybrid Mode:

For Petitioner (s)

:

*M/s. Bharati Dash,
S.R. Samal, P.K. Samantara*

For Opposite Party (s)

:

*Miss Gayatri Patra, ASC
for O.P.1
M/s. Rajeet Roy, S.K. Singh,
N. Hota, S. Sourav, T.P Tripathy,
A. Mohanty, S.S. Nayak
for O.P.2*

CORAM:

DR. JUSTICE SANJEEB K PANIGRAHI

DATE OF HEARING:-19.03.2026

DATE OF JUDGMENT:-15.05.2026

Dr. Sanjeeb K Panigrahi, J.

1. In filing the present CRLMC, the Petitioner whose Bank account in question bearing Account No.50100164898900 maintained at the HDFC Bank, Nayapara Branch, Golebazar, Sambalpur is freezed based on the allegation of some suspicious transaction, has prayed



for quashing the impugned order dated 11.09.2025 passed by the learned Sessions Judge, Sambalpur in CRL. REV. No.01 of 2025 thereby confirming the order dated 21.01.2025 passed by the learned JMFC-I (Cognizance Taking), Sambalpur in CMA No.100/2024.

I. FACTUAL MATRIX OF THE CASE:

2. On 25.07.2023 at about 09:45 PM one Prakash Tandi serving as the supervisor in the transport business of one Pardeep Panda lodged a written complaint before the Hirakud Police Station with an allegation that on 18.07.2023 at about 02:00 PM one Loknath Mohanty (the present petitioner) wrongfully obstructing him at Hirakud Store Chhak, abused him in obscene languages and threatened him for dire consequences. Thereafter, he asked for extortion money "DADA BATI" of Rs.20,000/- (Rupees twenty thousand). It was also alleged therein that in the earlier occasion the present Petitioner had forcefully taken money from the complainant. The complainant Prakash Tandi informed his owner Pardeep Panda regarding the said issue and gave a sum of Rs.20,000/- (Rupees twenty thousand) to the Petitioner as per his demand. The Petitioner used to extort a sum of Rs.10,000/- from the complainant in every month.
3. Accordingly, the O.I.C., Hirakud Police Station registered a case under Sections 341/294/386/506 of the IPC vide Hirakud P.S Case No.148 of 2023 and started investigation. After completion of investigation the I.O, on 31.10.2023, submitted charge-sheet



against the present Petitioner before the learned Court in *seisin* over the matter. Thereafter, the Petitioner moved an application for bail and accordingly, he has been on bail.

II. SUBMISSIONS ON BEHALF OF THE Petitioner:

3. Learned counsel for the Petitioner earnestly made the following submissions in support of his contentions, as borne out from the Written Note of Submissions:

- i. Pursuant to institution of the above noted criminal case, the I.O during course of investigation, freezed the above noted Bank account of the present Petitioner. Due to freezing of his above noted Bank account, the present Petitioner filed CMA bearing No.100 of 2024 before the Court of learned J.M.F.C.-I (C.T), Sambalpur. However, the said Court rejected the petition at the instance of the Petitioner vide order dated 21.01.2025. Thereafter, the Petitioner challenging the order passed by the learned J.M.F.C(C.T), Sambalpur, filed a Revision Petition vide Criminal Revision No.1 of 2025 before the Court of learned Sessions Judge, Sambalpur. But, the same was also rejected.
- ii. He further contends that since the Petitioner has been running a travel agency having multiple vehicles bearing Registration No. OR-02-AQ-1444 (TATA SAFARI) and No. OR-02-BB-9000 (JETTA MT) and also a transport business, he is suffering immensely in making day-to-day financial



transactions due to freezing of his Bank account in question noted hereinabove.

- iii. He further contends that the stand of the prosecution case is that during course of investigation, the I.O ascertained that a sum of Rs.1,90,000/- (Rupees one lakh, ninety thousand) was deposited by the petitioner in the aforesaid account between January, 2023 till 27th October, 2023 and the said deposited amount might have been extorted by the Petitioner from the complainant in relation to this case. On such grounds both the learned Courts in *seisin* over the matter rejected the Petitioner's prayer for de-freezing his above noted saving Bank account. Such orders passed by the learned Courts below are based on surmises, conjectures and erroneous facts and as such not sustainable in law.
- iv. The I.O has violated the provisions under Section 102 of the Cr.P.C while freezing the bank account of the Petitioner and issued no notice as per the provisions under Sections 41(A) or under Section 91 of the Cr.P.C. to the present Petitioner prior to freezing his bank account in question, which is abuse of the process of law. The Bank account of the Petitioner in question has been freezed without any reasonable evidence and only on the basis of suspicion that the money deposited by the Petitioner in his bank account might have been taken from the complainant which cannot be ruled out.



- v. Therefore, in absence of such details, a cloud of suspicion is shrouded over the deposit of money made by the Petitioner between January, 2023 to October, 2023 in the bank account in question.
- vi. The statement of bank account of the Petitioner between January, 2023 till 27th October, 2023 shows that no money was transferred/deposited to/in the Petitioner's bank account from/by the complainant Prakash Tandi or his boss Pardeep Panda. So, without any proper investigation the I.O directed the concerned authority of the HDFC Bank to freeze the whole account of the Petitioner which is nothing but violation of natural justice and as such the I.O clearly violates the mandates of the provisions as prescribed U/s.102 of the Cr.P.C.
- vii. The Petitioner is the only claimant of the frozen account and the prosecution has completely failed to ascertain any amount transferred to the Petitioner's account by the informant.
- viii. He, accordingly, prays for allowing the prayer made in this CRLMC.

III. SUBMISSIONS ON BEHALF OF THE OPPOSITE PARTY:

- 4. On the contrary, learned Counsel for the Opposite Party No.1/State made the following submissions:



5. The Complainant, Prakash Tandi had given the extortion money (DADA BATI) of Rs.20,000/- to the present Petitioner upon making necessary discussion on the said issue with his owner Pradeep Panda. It was a routine affair for Loknath Mohanty (the present Petitioner) to extract money from the Complainant as well as from few persons of Hirakud Town. From the verification of the Criminal Antecedents, the Police found that the Petitioner is involved in 10 other criminal cases which are reflected below:-

- a. Sambalpur Town PS Case No.152/2011, u/s.419/420/468 of IPC
- b. Sambalpur Town PS Case No.153/2011, u/s.224/225/332/34 IPC
- c. Bargarh Town PS Case No.69/2011, u/s.420 IPC and 138 NI Act
- d. Dhanupali PS Case No.79/2014, u/s.224 of IPC
- e. Balangir Town PS Case No.102/2014, u/s.294/341/354-D/419/420/506/507/34 of IPC, Sec.25/27 of the Arms Act and Section 66 of the IT Act
- f. Jujumara P.S. Case No.102/2016, U/s.143/341/283/149 of the IPC read with Section 7 of the Cr.L.A Act
- g. Burla P.S Case No.426, U/s.394 of the IPC
- h. Burla P.S Case No.328, U/s.419/420/468 & 471 of the IPC
- i. Ainthapalli P.S Case No.336 U/s.385/506 of the IPC
- j. Thelkoi P.S Case No.200, U/s.420/506 of the IPC

6. She further contends that the present Petitioner impersonating himself as the Reporter of the local daily named Pramaya Newspaper, an Odia daily of Sambalpur district and also using a fake identity card attempted to extort money from various people. He had also prepared two different forged cards; one of the State Bank of India and other one of the Postal Department and used to



use the same for the purpose of extortion of money. From the investigation, it was ascertained that the Petitioner was a habituate offender and was repeatedly terrorizing the complainant to pay some amount or the other. During course of investigation, the Police recovered cash amounting to Rs.6,300/- from the present Petitioner along with other incriminating articles and identity cards of the SBI, Bhubaneswar, one such card belongs to the Postal Department and one of Prameya Newspaper which were believed to be forged documents and were being used by the Petitioner for the purpose of impersonation and cheating.

7. During the investigation, the Police had visited the spot and examined the Complainant and other witnesses and also sent notice under Section 91 of the Cr.PC to the Editor of the Pramaya Newspaper, Bhubaneswar. Pursuant to such notice a reply was received from the Editor and in the said reply he had disclosed that no such employee by the name of "Loknath Mohanty"- the present Petitioner was working in their organization under the Sambalpur Division. There was no such Employee ID (bearing No. 10167778) available in the Sambalpur Division. There was no such designation like Regional Manager in the Division. There was no such SO like Goody SO under Sambalpur Division. No such Identity Card was issued by the Human Resources Department, Bhubaneswar as verified by the General Manager, HR Department. On perusal of their record, it is found that there is no such employee named



"Loknath Mohanty" having PF No.14562317 in their Circle as on date. Further, they also informed that there was no such designation as "Loan Manager" and branch as "Main Office, Bhubaneswar" in their circle as had appeared in that attached photocopy. The Identity Card appears to be fake and does not match with the prescribed standard format for issuance of ID Card.

8. Thereafter, based on the above, the IIC, Hiraakud Police Station sent notice under Sections 91/ 102 of the Cr.PC to the HDFC Bank for further information. Thereafter, during further investigation it was revealed that no money was paid by the complainant to the Petitioner through any bank transaction via NEFT or UPI mode. The Complainant had given cash directly to the present Petitioner, rather making any online payment. Therefore, on account of such investigation, the Investigating Officer had requested the HDFC Bank to de-freeze the account of the present Petitioner (bearing HDFC BANK Savings Account No. 50100164898900).
9. Based on the above action of the Police, the Petitioner filed CMA No.100 of 2024 before the Court of learned J.M.F.C.-1 (C.T.) Sambalpur, however, the learned J.M.F.C.-1(C.T), Sambalpur rejected the petition at the instance of the Petitioner vide order dated 21.01.2025. Thereafter, the Petitioner filed a Revision Petition bearing Criminal Revision No.1 of 2025 before the Court of learned Sessions Judge, Sambalpur thereby challenging the order passed by the



learned J.M.F.C-1 (C.T), Sambalpur but the same also got rejected by the learned Sessions Judge, Sambalpur.

10. While placing his case before the learned Court below, the Petitioner had raised the issue of violation of the provisions of Section 102 of the CrPC corresponding to Section 106 of the BNSS by the I.O.
11. She, therefore, relying on the provision under Section 102 of the Cr.P.C submits that a property can be seized as per the provision under Section 102 of the Cr.P.C on two conditions:-
 - i. The property must be alleged or suspected to have been stolen.
 - ii. There must be nexus between the property and the commission of crime.
12. In this particular case, it is alleged by the Opposite Party that the Bank account in question had a credit of Rs.1,90,000/- between January and October, 2023. With regard to the factual matrix of the case, it is alleged that the Petitioner used to extort a sum of Rs. 10,000/- on monthly basis from the informant for over a continuous period of time. Furthermore, the informant - Prakash Tandi and his employer named Pradeep Panda have not yet been examined. Their examination during trial would have cleared the cloud of suspicion over the deposit of money made by the Petitioner between January and October, 2023 in the disputed bank account.
13. Hence, the learned JMFC at that stage was not in a position to ascertain the sum total of the alleged proceeds of crime and in absence of such information, has rightly observed that de-freezing of



the bank account entirely in favour of the Petitioner shall be prejudicial to the interest of the victim *qua* prosecution. Looking at all the above aspects, the petition filed by the Petitioner was rejected by the learned JMFC Court-I (CT), Sambapur under Section 451 CrPC corresponding to Section 497 BNSS.

14. She in order to strengthen the case of the State-Opposite Party also relied on the following decisions

- a. *Teesta Atul Setalvad Vs. State of Gujarat* :- ¹
- b. *M.T. Enrica Lexie and Anr. Vs. Doramma & Ors.*²
- c. *State of Maharashtra Vs. Tapas D. Neogy*³

15. She, accordingly, prays for dismissal of this CRLMC.

IV. THIS COURT'S REASONING AND ANALYSIS:

16. Heard learned Counsels for the parties and perused the material placed on record.
17. The power of seizure under Section 102 of the Cr.P.C. (corresponding to Section 106 of the BNSS) undoubtedly extends to a bank account, for a bank account constitutes "property" within the meaning of the said provision. Yet, such power is not unbridled or immune from judicial scrutiny. The statutory authority to freeze an account is conditioned upon the existence of a reasonable and discernible nexus between the property sought to be seized and the commission of the alleged offence. The provision is investigatory in character, not

¹ (2018) 2 SCC 372

² (2012) 6 SCC 760

³ (1999) 7 SCC 685



punitive in consequence. Its object is preservation of property connected with crime so as to aid effective investigation and eventual adjudication. Therefore, the power under Section 102 Cr.P.C. cannot be invoked mechanically, nor exercised upon mere speculative suspicion devoid of foundational material. A direction freezing a bank account directly interferes with a citizen's proprietary and economic rights, affects his ability to conduct lawful business and disrupts ordinary financial existence. Consequently, such action must satisfy the constitutional requirements of fairness, reasonableness and proportionality embedded within Articles 14, 21 and 300-A of the Constitution.

18. The jurisprudential basis underlying seizure jurisprudence is that the State may temporarily curtail proprietary control only where such restriction bears a proximate and rational connection with the alleged criminal activity. Criminal procedure, though designed to facilitate investigation, does not sanction indefinite economic deprivation founded merely upon investigative conjecture. The expression "suspected to have been stolen" or "found under circumstances creating suspicion of commission of offence" occurring in Section 102 Cr.P.C. necessarily postulates the existence of objective circumstances giving rise to a bona fide and legally sustainable inference. Suspicion cannot be whimsical, indefinite or unsupported by material particulars. The doctrine against arbitrariness permeates every exercise of statutory power, and therefore seizure of financial



assets must rest upon tangible material demonstrating at least a prima facie live link between the money lying in the account and the offence alleged.

19. In the present case, the foundational allegation against the Petitioner is one of extortion. However, significantly, the prosecution itself admits that the alleged extortion money was paid in cash and not through any banking channel such as NEFT, RTGS or UPI transfer. The investigation, as borne out from the record, has not traced any direct transfer from the account of the informant or his employer to the disputed account of the Petitioner. No material has been brought on record identifying any specific deposit as constituting proceeds of the alleged extortion. The freezing of the account thus appears to have been founded principally upon the assumption that the amount deposited in the account between January, 2023 and October, 2023 “might have been” derived from extortion activities. Such reasoning remains within the realm of conjectural inference and lacks the degree of foundational certainty necessary to justify continued freezing of an entire bank account.
20. It is a settled canon of criminal jurisprudence that suspicion, however grave, cannot substitute legal proof or furnish justification for disproportionate curtailment of civil and proprietary rights. The law draws a clear distinction between reasonable suspicion founded upon objective material and mere speculative apprehension arising from generalized allegations. Mere existence of monetary deposits in



a bank account, absent demonstrable linkage with the alleged offence, cannot ipso facto render such deposits proceeds of crime. If such an approach were to be judicially sanctioned, every citizen carrying on lawful commercial activity would remain vulnerable to arbitrary freezing of financial assets merely because the investigating agency entertains an unsubstantiated suspicion. Criminal law cannot proceed upon presumption of illegitimacy in respect of every financial transaction undertaken by an accused person.

21. Equally significant is the admitted position that the Petitioner is engaged in transport and travel business involving operation of multiple vehicles. In commercial activities of such nature, continuous banking transactions constitute the lifeblood of daily functioning. Operational expenditures relating to fuel, salaries, maintenance, taxation and other commercial liabilities necessarily require uninterrupted financial access. Freezing of the entire bank account therefore has consequences extending beyond mere investigatory restraint; it substantially impairs the Petitioner's ability to sustain lawful business operations and affects his economic existence. The constitutional protection under Article 300-A, guaranteeing that no person shall be deprived of property save by authority of law, when harmoniously construed with the due process component of Article 21, obligates Courts to ensure that coercive investigative measures remain proportionate to the object sought to be achieved. An order of seizure which travels beyond investigational necessity and results in



excessive hardship partakes the character of arbitrariness and ceases to retain constitutional legitimacy.

22. So far as the reliance placed by the State upon the criminal antecedents of the Petitioner is concerned, this Court is not oblivious to the fact that antecedents may furnish a contextual circumstance for the purpose of investigation. Nevertheless, antecedents by themselves cannot substitute the legal requirement of establishing nexus between the seized property and the offence under investigation. Criminal jurisprudence rests upon the principle of individualized culpability. A person may be tried for specific allegations supported by evidence, but cannot be subjected to continuing deprivation merely because allegations exist in other cases. Character evidence or criminal antecedents cannot become a surrogate for proof of connection between the disputed property and the alleged offence. To permit freezing solely on the basis of antecedents would amount to transforming preventive investigation into punitive pre-adjudication, a course fundamentally inconsistent with settled principles of criminal justice administration.
23. Furthermore, the investigation in the present case has already culminated in submission of charge-sheet. Once investigation stood substantially completed, and no identifiable amount was ascertained as proceeds of the alleged crime, continuation of the freezing order indefinitely ceases to serve any legitimate investigatory purpose. The criminal process cannot be utilized as a mechanism for inflicting



economic punishment prior to adjudication of guilt. Pre-trial deprivation must always remain ancillary to investigation and never assume the character of anticipatory penalty. The absence of any quantified determination regarding alleged proceeds of crime further weakens the justification for continued freezing of the entire account.

24. The learned Courts below, while declining the prayer for de-freezing, appear to have proceeded primarily on the premise that the possibility of the deposited amounts constituting extortion money could not yet be ruled out and that certain witnesses were yet to be examined. Such reasoning, with respect, reflects reliance upon speculative possibility rather than concrete evidentiary foundation. Judicial discretion affecting valuable proprietary rights must be exercised upon demonstrable material and not upon indefinite investigative apprehension. While exercising jurisdiction under Sections 451 and 457 Cr.P.C., the Court is duty-bound to strike a careful balance between preservation of property for purposes of trial and prevention of undue hardship to the person affected. The impugned orders do not reflect such balancing exercise and instead proceed upon generalized suspicion unsupported by concrete linkage.



V. CONCLUSION:

25. Viewed from the aforesaid perspective, continuation of the freezing order in its present form cannot be sustained in law. In absence of any material demonstrating direct transfer of alleged extortion money into the disputed account, or any identifiable correlation between the deposits and the offence alleged, indefinite freezing of the entire bank account amounts to disproportionate and excessive exercise of statutory power. The impugned orders, therefore, suffer from manifest legal infirmity and failure to apply the settled principles governing exercise of power under Section 102 Cr.P.C., thereby warranting interference in exercise of inherent jurisdiction of this Court.
26. Accordingly the CRLMC is **allowed**.

(Dr. Sanjeeb K Panigrahi)
Judge

*Orissa High Court, Cuttack,
Dated the May, 2026*