



IN THE HIGH COURT OF KARNATAKA AT BENGALURU
DATED THIS THE 29TH DAY OF APRIL, 2026
BEFORE
THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM
WRIT PETITION NO. 24272 OF 2025 (GM-RES)
BETWEEN:

1. SRI VENKATARAMANA SWAMY
VIDYAVARDHAKA SANGHA (R)
BANTWAL - 574 211
(DK)
REPRESENTED BY ITS JOINT TREASURER,
DIKSHA KAMATH
W/O H VINAYAKA NAYAK,
AGED ABOUT 45 YEARS
[PETITIONER IS A SOCIETY REGISTERED UNDER
SOCIETIES REGISTRATION ACT]
...PETITIONER
(BY SRI. M SUDHAKAR PAI, ADVOCATE)

AND:

1. CANARA BANK
REPRESENTED BY ITS
MANAGING DIRECTOR AND C.E.O.,
HEAD OFFICE, NO.112,
J.C.ROAD,
BENGALURU - 560 002.
2. CANARA BANK
BANTWAL BRANCH
MAIN ROAD, BANTWAL - 574 211(DK)
REPRESENTED BY ITS
BRANCH MANAGER
...RESPONDENTS
(BY SRI. PRAKASH HEGDE, ADVOCATE
(VK FILED IN R/O R2 ONLY);

Digitally
signed by
CHAITHRA A
Location:
HIGH COURT
OF
KARNATAKA



SRI. ARAVIND KAMATH, SENIOR COUNSEL FOR
SRI. MOHAMMED ASHHAR C K, ADVOCATE FOR
IMPLEADING ON IA 1/25)

THIS WP IS FILED UNDER ARTICLES 226 OF 227 OF THE CONSTITUTION OF INDIA PRAYING TO ISSUE A WRIT OF MANDAMUS, DIRECTING THE RESPONDENTS HEREIN NAMELY MANAGING DIRECTOR AND C.E.O., CANARA BANK AND BRANCH MANAGER, CANARA BANK, BANTWAL BRANCH, TO DE-FREEZE 8 S.B. ACCOUNTS NAMELY - 1.01372200064830, 2.01372200065905, 3.01372200064845, 4.01372200065012, 5.01372010000227, 6.01372200065586, 7.01372200064960, 8.01372200070947 AND 5 FIXED DEPOSIT ACCOUNTS, HAVING CUSTOMER I.D. NOS. 1.213713236, 2.213713364 3.213713253, 4.213713262, 5.258686794 MAINTAINED BY THE PETITIONER WITH THE 2ND RESPONDENT BRANCH OF CANARA BANK AND ETC.,

THIS PETITION, COMING ON FOR DICTATING ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The captioned writ petition is filed by the petitioner-Educational Society seeking issuance of a writ in the nature of mandamus directing the respondents to defreeze eight Savings Bank Accounts and five Fixed Deposit Accounts standing in the name of the petitioner-Society.



2. This Court deems it appropriate, at the outset, to extract the prayers sought in the writ petition, which read as under:

"a) Issue a Writ of Mandamus, directing the Respondents herein namely Managing Director and C.E.O., Canara Bank and Branch Manager, Canara Bank, Bantwal Branch, to de-freeze 8 S.B.Accounts namely -

- 1. 01372200064830*
- 2. 01372200065905*
- 3. 01372200064845*
- 4. 01372200065012*
- 5. 01372010000227*
- 6. 01372200065586*
- 7. 01372200064960*
- 8. 01372200070947*

and 5 Fixed Deposit Accounts, having customer I.D.Nos.

- 1. 213713236*
- 2. 213713364*
- 3. 213713253*
- 4. 213713262*
- 5. 258686794*

maintained by the Petitioner with the 2nd Respondent Branch of Canara Bank.



b) Direct the Respondents herein to pay cost of Rs.1,00,000/- for unauthorizedly freezing the said Accounts of the petitioner.

c) Issue any other Writ, order or direction as this Hon'ble Court deems fit to grant, under the facts and circumstances of this case, in the interest of justice and equity."

3. Before this Court proceeds to examine the entitlement of the petitioner–Society to seek a writ of mandamus for defreezing of the aforesaid accounts, this Court finds it necessary to advert to the order passed in the connected writ petition in W.P.No.25099/2025, which has a direct bearing on the controversy involved in the present case. The operative portion of the order passed by this Court in W.P. No.25099/2025, which has significant relevance in determining the petitioner's right to seek defreezing of its accounts, is therefore extracted hereinbelow:



"ORDER

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

(ii) The impugned orders passed by respondent No.4 – Deputy Registrar, as per Annexures-L and T, are hereby set aside;

(iii) The matter is remitted to respondent No.4 for fresh consideration;

(iv) The petitioner shall file its detailed objections to the documents now furnished/served by the respondents within a period of four weeks from the date of receipt of a certified copy of this order;

(v) Upon receipt of objections, respondent No.4 – Deputy Registrar shall first adjudicate the preliminary/jurisdictional issues relating to: (a) membership of the complainants; and (b) satisfaction of quorum under Section 25 of the Karnataka Societies Registration Act, 1960, within a further period of six weeks thereafter;

(vi) Only upon determination of the aforesaid preliminary issues, if answered in favour of the complainants, respondent No.4 shall proceed with the enquiry on merits and conclude the same within an outer limit of eight weeks thereafter;



(vii) The parties shall extend full cooperation and shall not seek unnecessary adjournments. It is made clear that any attempt to protract the proceedings shall be viewed seriously;

(viii) The entire exercise, commencing from the filing of objections till conclusion of enquiry, shall be completed within an outer limit of twelve (12) weeks from the date of receipt of a certified copy of this order."

(emphasis supplied)

4. Having carefully considered the rival submissions and on perusal of the material placed on record, this Court finds that the action of the respondent-Banks in debit freezing the accounts of the petitioner-Educational Society cannot be sustained in law. The directions issued by this Court, as extracted supra, assume critical significance inasmuch as they mandate adjudication by respondent No.4, requiring a prior determination of the complainants' locus as members of the petitioner-Society and their compliance with the statutory quorum contemplated under Section 25 of the



Karnataka Societies Registration Act, 1960. In that backdrop, when the issue as to whether the complainants are lawful members and whether they could have set the law in motion is itself sub judice and yet to be adjudicated in terms of the binding directions of this Court, any precipitative action founded on such disputed claims cannot be sustained.

5. The action of the respondent-Banks in debit freezing the accounts of the petitioner-Educational Society, solely on the basis of complaints lodged by persons whose very status is under serious challenge, is therefore clearly premature and bereft of legal authority. Such freezing, which has the effect of paralysing the functioning of an educational institution, could have been justified only upon a lawful directive emanating from a competent authority exercising statutory powers, and not on the basis of unverified allegations in an intra-society dispute. Hence, the debit freezing action, being dehors the statutory framework and in disregard of the judicial



directions governing the field, is unsustainable and liable to be interfered with.

6. It is not in dispute that the debit freeze of eight Savings Bank Accounts and five Fixed Deposit Accounts of the petitioner-Society is not pursuant to any direction issued by a competent criminal court or at the instance of an Investigating Officer in exercise of statutory powers during the course of investigation. On the contrary, the material on record would indicate that the impugned action has emanated from complaints lodged by certain individuals, who claim to be members of the petitioner-Society, alleging mismanagement of its affairs.

7. This Court cannot lose sight of the fact that the very status of the complainants as members of the petitioner-Society is under serious dispute and is presently the subject matter of adjudication before respondent No.4 – Deputy Registrar, pursuant to the directions issued by this Court in W.P.No.25099/2025, extracted supra. The



question as to whether the complainants have the locus to initiate proceedings under Section 25 of the Karnataka Societies Registration Act, 1960 is yet to be conclusively determined.

8. In such a scenario, the action of the respondent-Banks in acting upon unilateral complaints and proceeding to debit freeze the accounts of an Educational Institution is wholly untenable. The power to freeze or attach bank accounts is a drastic measure, which has serious civil consequences, particularly when exercised against an Educational Society, whose functioning necessarily involves continuous financial transactions for salaries, maintenance, and academic activities. Such coercive action cannot be resorted to in a casual or mechanical manner.

9. Ordinarily, debit freezing of accounts can be justified only when it is backed by authority of law, either at the instance of an Investigating Agency in connection



with a cognizable offence or pursuant to an order passed by a competent Court of law. A bank, being a custodian of funds, cannot assume the role of an adjudicating authority and proceed to freeze accounts merely on the basis of inter se disputes between rival factions, more so when the very entitlement of the complainants to raise such dispute is under challenge.

10. The action of the respondent-Banks in the present case, therefore, suffers from a patent lack of jurisdiction. It amounts to an overreach and results in paralysing the functioning of the petitioner-Society without any lawful sanction. Such an action is clearly arbitrary and cannot be countenanced by this Court.

11. At the same time, this Court is conscious of the fact that the enquiry proceedings concerning alleged mismanagement of the Society are pending consideration before respondent No.4 – Deputy Registrar in terms of the directions issued in W.P. No.25099/2025. Therefore, while



granting relief to the petitioner–Society, it is necessary to balance the equities by safeguarding the outcome of the said enquiry.

12. For the foregoing reasons, this Court proceeds to pass the following:

ORDER

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

(ii) The action of the respondent–Banks in debit freezing the eight Savings Bank Accounts and five Fixed Deposit Accounts of the petitioner–Educational Society is held to be without authority of law and is accordingly set aside;

(iii) The respondent–Banks are hereby directed to forthwith defreeze the aforesaid accounts of the petitioner–Society and permit normal operations;

(iv) It is, however, made clear that the petitioner–Educational Society shall operate the said accounts strictly subject to the outcome of



the enquiry proceedings pending before respondent No.4 – Deputy Registrar, in terms of the directions issued by this Court in W.P. No.25099/2025;

(v) It is further clarified that any findings or directions that may be issued by respondent No.4 in the said enquiry proceedings shall be binding on the parties, and the respondent-Banks shall act in accordance with such outcome, if so required in law;

(vi) All parties shall cooperate for expeditious conclusion of the enquiry as already directed by this Court in W.P. No.25099/2025.

Sd/-
(SACHIN SHANKAR MAGADUM)
JUDGE