HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW

WRIT - C No. - 5946 of 2026

Vinay Kumar Mishra and another

.....Petitioner(s)

Versus

Equitas Small Finance Bank Ltd. Lko and 2 others

.....Respondent(s)

Counsel for Petitioner(s)	:	Kaushal Kishor Shukla
Counsel for Respondent(s)	:	Avdhesh Shukla, Brajendra Amiy, Manish Misra

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Court No. - 3

HON'BLE JASPREET SINGH, J.
HON'BLE INDRAJEET SHUKLA, J.

1. Heard learned counsel for the petitioners and Shri Manish Misra, learned counsel for the Union Bank of India as well as Shri Avdhesh Shukla, learned counsel for the Punjab National Bank.

2. This Court on 01.06.2026 had passed an order, which reads as under:-

> "1. Heard learned counsel for the petitioners.
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> 2. Notice on behalf of respondent no.2, Union Bank of India has been accepted by Shri Manish Mishra and notice on behalf of respondent no.3, Punjab National Bank has been accepted by Shri Awadhesh Shukla.
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> 3. The piquant situation has arisen in the instant case. Apparently the petitioners and the respondent no.1 entered into a loan transaction in pursuance whereof the petitioners were granted a loan. There appears to be some dispute between the petitioners and the respondent no.1 in terms whereof the respondent no.1 invoked an arbitration clause and the alleged sole arbitrator has passed an interim award dated 23.06.2025 at Chennai.
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> 4. It is the case of the petitioners that they have no knowledge of the said proceedings but nevertheless in terms of the interim

award the bank accounts maintained by the petitioners with the respondents no.2 and 3, Bank have been freezed.

5. It is urged that even if there is an interim award yet the respondents no.2 and 3 could not have frozen the bank accounts without there being an order passed by the competent Court in terms of execution proceedings under Section 36 of the Arbitration & Conciliation Act, 1996.

6. A specific query was put to the counsel for the bank regarding the aforesaid position to which it is submitted that they require some time to ascertain the facts and instructions.

7. Put up tomorrow i.e. 02.06.2026 at 2.15 P.M. as fresh showing the name of Shri Awadhesh Shukla as counsel for respondent no.3, on which date the Branch Managers of the respondents no.2 & 3 shall appear to assist the Court and explain under what circumstances and under what legal authority the Banks had frozen the accounts of the petitioners."

3. In furtherance of the said order, today Shri Shivesh Sharma, Chief Manager, Punjab National Bank as well as Shri Vimal Dwivedi, Branch Manager, Union Bank of India, both are present in person.

4. A specific query was put to the learned counsel for both the Banks in presence of their officers that under what circumstances, the accounts of the petitioners were frozen.

5. Learned counsel for both the Banks have made separate submissions, but the crux of the submissions of both the learned counsel is common that they have just followed orders from their superior officers, which came from the Head Office from Mumbai and New Delhi respectively.

6. The Officers, who were present in Court, were also put the aforesaid query to which they answered that they were not aware and it is for the first time during their careers they had across such a situation. Since, an order had been communicated from the Head Office, they being subordinate officers were bound to comply with it.

7. Taking note of the aforesaid, the question arises as to whether the action taken by the Bank as an Institution, which has a Pan India presence and has a Legal Cell, both at the central and de-centralized level could have undertaken such an exercise of freezing the accounts merely on the asking of the litigating Bank/Sole Arbitrator, but without assistance of the Court.

8. Shri Avdhesh Shukla, learned counsel appearing for the Respondent - Punjab National Bank also made a submission that since the order had been passed by the Sole Arbitrator under Section 17 of the Arbitration and Conciliation Act, 1996 (for short, 'the Act of 1996'), which is an order and treated to be an order of a Court, hence, it was complied with.

9. The record would indicate that the private-respondent No.1 is one of litigating party, who had initiated arbitration proceedings, wherein both the present petitioners were the respondents. It appears that upon an application moved by the private-respondent No.1 under Section 17 of the Act of 1996, the Sole Arbitrator on 23.06.2025 had passed an order, which apparently is *ex-parte* and it directed that any account of the petitioners with the particular PAN numbers indicated in the said order would be frozen. As per the provisions of the Act of 1996, an award also includes an interim award.

10. Be that as it may, if an order had been passed under Section 17 of the Act of 1996, what would be the nature of an order, would depend upon the facts and circumstances.

11. If an order had to be implemented that would have only been *prima-facie* done treating it to be an interim award and even then for such implementation provisions under Section 36 of the Act of 1996 would be applicable. Meaning thereby, that it would have only been implemented through the process of Court.

12. However, this is not the situation here. If the said order was that of the Arbitral Tribunal, it could not have been sent in an omnibus manner to all the Banks indicating that any account with particular PAN be frozen. This interpretation which has been adopted by the respondents No.2 and 3 - Bank in order to freeze the Bank Account of the petitioners, apparently,

does not follow from any provisions of the Act of 1996.

13. *Prima-facie*, this Court finds that the act of the respondents No.2 and 3 in freezing the Bank Account of the petitioners is patently erroneous. The respondents No.2 and 3 - Bank are directed to immediately de-freeze the Bank Accounts of the petitioners. However, it is clarified that if there is any order of a competent Court relating to the accounts of the petitioners then this order of de-freezing may not come in the way.

14. Adopting the manner of freezing the accounts also indicates *prima-facie* negligence on part of the Banks. Since, this is not the proceedings, where this Court cannot look into this aspect, hence, it is left open for the petitioners to adopt any process for any loss, which may have occurred to the petitioners.

15. The petitioners, apart from seeking de-freezing of the Bank Account, has also prayed for quashing of the award dated 23.06.2025, which apparently cannot be countenanced by this Court inasmuch as such an order is to be set aside only in accordance with the provisions contained in the Act of 1996, which needless to say is a complete Code in itself.

16. In the given circumstances and subject to the aforesaid directions, let notice be issued to the respondent No.1.

17. Learned counsel for the petitioners shall take steps within a week from today.

18. This matter shall come up before the Court on 22.07.2026.

19. The Officers of the respondents No.2 and 3, who are present in person today, need not to appear unless specifically called for.

(Indrajeet Shukla,J.) (Jaspreet Singh,J.)

June 2, 2026
Rakesh/-

Digitally signed by :-
RAKESH PRAJAPAT
High Court of Judicature at Allahabad,
Lucknow Bench