



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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CWP-3464-2024

Date of decision: 05.07.2024

JASPREET SINGH

.....Petitioner

VERSUS

UNION OF INDIA AND OTHERS

.....Respondents

CORAM : HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

Present: - Mr. Ferry Sofat, Advocate for the petitioner.

Mr. Dheeraj Jain, Senior Counsel
(*Through Video Conferencing*) and
Mr. Shail Garg, Advocate
for respondents No. 1 to 3.

Mr. Vivek Saini, Advocate
for respondents No. 4 and 10-State of Karnataka.

Mr. Arun Dogra, Advocate for
respondent No.14-INDUSIND Bank.

VINOD S. BHARDWAJ, J. (Oral)

1. Prayer in the present writ petition is for defreezing the Bank Account of the petitioner maintained with the INDUSIND Bank Branch, Phase-11, Mohali bearing Saving Accounts No. 100211446182.

2. Learned Counsel appearing on the petitioner contends that the petitioner withholds and invests in Virtual Digital Assets through reputed trading platforms and is maintaining a Bank Account with the INDUSIND Bank, Phase-11, Mohali. He contends that the said Account of the petitioner was frozen by the respondent-Bank, without any prior intimation. Thereafter when he conducted an enquiry into the same, he was informed that the Bank

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had received certain directions from various State agencies with respect to certain disputed/fraudulent transactions for an amount of Rs. 4,88,081/-, by sale of virtual digital assets viz. the Crypto Currency on the Bitcoin exchange, through the above account of the petitioner. It is contended by the Counsel for the petitioner that the Bank transactions had been undertaken by the petitioner after making a due payment of tax to the competent authority and the petitioner is at the third layer. Hence, the transaction culminating into the allegations of fraud had no concern with the petitioner as the same was amongst the third party intermediary layers in between.

3. He further contends that the initial allegation was pertaining to a total sum of Rs. 14 lacs approximately against, all people involved in different layers, out of which the allegations with respect to the account of petitioner was to the sum of Rs. 4,88,081/-. It is evident that while the State of Karnataka had raised an issue with respect to a transaction of Rs. 4 lakhs, the State of Maharashtra had got registered an enquiry in relation to an alleged transaction of Rs.60,000/-. He contends that both States have already withdrawn the notices issued by them to the Bank and that there is no dispute with respect to the sum of Rs. 4,60,000/- It is contended that now only a transaction around Rs. 28,000/- is the disputed transaction as per communication sent by the State of Telangana through a communication sent by the Frauds Reporting and Management System (CFCFRMS) to the INDUSIND Bank.

4. He contends that it is on account of the aforesaid small amount, the entire account of the petitioner has been frozen.

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5. Even though the service has been effected on the State of Telangana, however, no one has entered appearance on behalf of the said respondent to dispute or to deny the averments raised by the petitioner. Further, the Communication Annexure P-1 does not make any reference to registered a criminal case against the petitioner and does not provide any description of the FIR that may have been registered, in relation to the allegations of the embezzlement/fraud.

6. Counsel appearing on behalf of State of Karnataka does not dispute the averment with respect to the settlement and withdrawal of notice by the State. There is no representation on behalf of the State of Maharashtra. The Statement by the Counsel from the petitioner is thus not disputed.

7. Be that as it may, without going into the merits of the present case and/or going into the aspect of maintainability, I feel that the equities of the present case can be balanced in case the order directing freezing of the Account is modified by retaining a lien to the extent of Rs. 50,000/- as against the disputed amount of Rs. 28,000/- as communicated by the State of Telangana. The order is being passed on the specific assertion by the Counsel for the petitioner that the notice issued by the State of Maharashtra has already been withdrawn, hence, the modification is without prejudice to the direction issued by the State of Maharashtra, if not already withdrawn.

8. The present writ petition is accordingly disposed of with a direction that the order directing freezing of the Bank Accounts No. 100211446182 situated in INDUSIND Bank Branch, Phase-11, Mohali is



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modified and the petitioner as well as the respondent-Bank is directed to maintain a lien of Rs. 50,000/- of the amount in the said Saving Account number with respect to the transaction disputed by State of Telangana and the petitioner would be at liberty to utilize the remaining amount lying in the said Account, without prejudice to any other order of attaching or freezing the account, which is in force.

JULY 05, 2024
Vishal Sharma

(VINOD S. BHARDWAJ)
JUDGE

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No