IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.11.2025

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

W.P.Crl.No.474 of 2025 and
W.P.M.P.No.224 of 2025

V-Mart Retail Limited,
Represented by its Authorized Representative Mr.Thirumurugan,
Having its Registered Office at,
610-611, Guru Ram Dass Nagar,
Main Market Opposite: SBI Bank,
Laxmi Nagar, New Delhi-110092
and
Having its Branch Office at,
V-Mart Retail Limited, Plot No 25 and 28 Srinagar Colony,
Redhills Road, Kolathur Village Purasawalkam Taluk,
Block No3, Chennai,
Tamil Nadu-600099. ... Petitioner

vs.

1.The Nodal Cyber Cell Officer of Tamil Nadu,
National Cybercrime Reporting Portal,
Ministry of Home Affairs, Government of India,
New-Delhi, Pin-110037.

2.The Inspector of Police,
DELTA-4, Cyber Crime Branch Station,
Central Crime Branch,
Vepery, Chennai, Tamil Nadu.

3.HDFC BANK LIMITED,
Represented by its Nodal Officer,
Having its Registered Office at,
HDFC Bank House, Senapati Bapat Marg,
Lower Parel, Mumbai-400013.
Having its Branch Office at,
3768 & 769, 7th Floor, A-Wing,
Spencer Plaza, Phase III,
Anna Salai, Chennai-600002. ... Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a writ of mandamus directing the respondents in freezing the petitioner's Account bearing A/c No.5750000016614 is illegal, arbitrary, and in violation of law; and consequently direct the 1st and 2nd respondents to forthwith de-freeze the said Account maintained by the petitioner with the 3rd respondent's branch, which was frozen at the instance of the 2nd respondent pursuant to the registration of Complaint No.C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138.

For Petitioner	:	Ms.Durga V.Bhatt assisted by Mrs.Shruthikka.S
For R1 & R2	:	Mr.Leonard Arul Joseph Selvam, Additional Public Prosecutor
For R3	:	Mr.C.Mohan and Ms.A.Rexy Josephine Mary for M/s.King & Partridge

ORDER

This Writ Petition has been filed to direct the respondents 1 and 2 to forthwith de-freeze the petitioner's Account bearing A/c.No.5750000016614 maintained by the petitioner with the 3rd respondent Bank, which was frozen at the instance of the 2nd respondent pursuant to the registration of complaint in C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138.

2.Learned counsel for the petitioner submitted that the petitioner *viz.,* M/s.V-Mart Retail Limited is a publicly listed company engaged in the business of value fashion retail and FMCG Goods, operating more than 400 stores across India. It is a registered under the Companies Act. The company for his business purpose was having bank account with the 3rd respondent Bank in A/c.No.5750000016614 and exclusively maintained for the purpose of collecting customer payments *via* UPI and Card transaction. On 06.05.2025, the 3rd respondent Bank had imposed a complete "debit freeze" on the petitioner's bank account since the 2nd respondent registered a case in C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138. This account is an non-operational pass-through account used solely for inward remittances from retail customers and it is not used for third party transactions or disbursements. The collected funds are routed to the petitioner's primary operating account to facilitate payments to vendors and other stakeholders. Thus, freezing the petitioner's bank account creates a direct and severe impact on the petitioner's ability to conduct daily business operation. The freezing of the account was carried out without prior notice informing the nature of the complaint and without affording any opportunity to the petitioner, thereby, the 2^{nd} respondent violated the Principles of Natural Justice under Articles 14, 19(1)(g) and 21 of Constitution of India.

3.She further submitted that the petitioner had sent a detailed representation on 07.05.2025 to the 2^{nd} respondent offering full cooperation and requesting revocation of freezed account. It was informed through telephone that an amount of Rs.4,194/- is disputed which was transacted in the petitioner's account. The petitioner following-up with repeated representations, in person had visited the office of the 2^{nd} respondent on 02.06.2025, 06.06.2025 & 01.07.2025 and also sent representation by registered post and Email to both the respondents 2 and 3. Despite all efforts, the respondents failed to provide any meaningful answer and without legal justification, had freezed the account of the petitioner which is in gross violation of Section 106 of BNSS which mandates judicial oversight and procedure safeguards prior to imposing such intrusive measures. The failure to comply with the statutory due process renders the freeze illegal, ultra vires and unsustainable in law. Freezing of account requires written reasons be recorded showing necessity, judicial authorization to be obtained and only the proportionate amount suspected of being tainted may be subject to restrictions. On the other hand, the 2nd respondent directed a blanket freezing of entire amount, thereby renders the action void *ab initio* and a gross abuse of authority.

4.She further submitted that the explanation for the disputed sum being traced to the petitioner's account is that a customer forming a remote part of a transactional chain of alleged fraudulent funds may have made a legitimate purchase at one of the petitioner's outlets. On 05.08.2025, a detailed request was sent to the 3rd respondent Bank to provide list of complainants, in relation to petitioner's bank account along with total fraudulent transaction amount and disputed amount. Despite multiple reminders, the 3rd respondent Bank failed to provide requested datas so far. By freezing account, the respondents paralysed the petitioner's operations.

In support of her submissions, the learned counsel for the petitioner relied on the following decisions.

- In *Arun v. The Additional Director General of Police, Cyber Crime Wing, No.3 Dr.Natesan Road, Police Training College Campus, 3rd Floor, Cyber Crime Wing, Ashok Nagar, Chennai 600 083 and others in W.P.No.9295 of 2025 dated 15.04.2025,* this Court had held that in the absence of any formal charges or material evidence linking the petitioner to the alleged fraud, freezing of account is not supported by law and is disproportionate to the ongoing investigation and directed defreezing of account.

- In *Neelkanth Pharma Logistics Private Limited v. Union of India & Anr., in W.P.(C) 17905/2024 & CM APPL.2640/2025*, the Delhi High Court finding that freezing of accounts by the Bank at the instance of Investigating Agency frequently and finding there is no proper system in place, had directed the Ministry of Home Affairs, Government of India to take proactive steps to address the issue consulting all concerned stakeholders, including respective States/Union Territories and chalk-out a uniform policy, standard operating procedures and guidelines to ensure that such matters are handled with requisite consideration and compassion and also held that the aim should be to balance the rights of a complainant in any such criminal investigation vis-a-vis the right of innocent and unwary account-holder, made to face unwarranted hardship on account of blanket freezing of account, despite being completely innocent and unaware of commission of any crime.

- In *Mohammed Saifullah v. Reserve Bank of India, Rep. by its Governor, Head Office at 16th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai 400 001,* this Court referring to the circular issued by the Commissioner of Police in C.No.131/COP, GCP/Camp/2021, dated 24.06.2021 wherein guidelines have been issued to Investigating Officers to follow the procedure as per the circular in cases of freezing of accounts, had permitted the petitioner therein to operate his account subject to certain conditions.

5.The learned Additional Public Prosecutor appearing for the respondents 1 and 2 filed status report and submitted that one Manimurugan lodged a complaint via reference number C.No.37/CCB/COP/V/25 dated 10.01.2025 and also lodged complaint in NCRP (National Cybercrime Reporting Portal) with Acknowledgement Number 32901250002138 stating that he joined as a member in UBS Asset Management VIP exclusive group in WhatsApp for trading and invested Rs.1.48 Crores in the trading and did not receive any repayment instead he was asked to pay more money for various reasons. Thereafter, the complainant realised that he was cheated, hence, lodged the complaint to take necessary action and requested to retrieve the money. During preliminary investigation based on NCRP acknowledgement number 32901250002138, it revealed that the complainant transferred Rs.2,00,000/-, Rs.4,00,000/- and Rs.16,00,000/- in total Rs.22,00,000/-) to IDFC Bank Account Number 10197331056 (Layer 1). Further, from that account, the alleged money of Rs.9,00,000/- was transferred to ICICI bank account number 004105501868 (Layer 2). Further, from that account, the alleged money of Rs.48,760/- was transferred to Punjab National bank account number 6446000100078958 (Layer 3). Further, from that account the alleged money of Rs.4,194/- was transferred to petitioner's HDFC Bank account number 57500000166114 (Layer 4). Based on NCRP acknowledgement, “debit freeze” request was sent to all banks to freeze the fraudster accounts. On 06.05.2025, “debit freeze” request was sent to HDFC bank to freeze the petitioner's HDFC bank account number 57500000166114. On verifying with NCRP portal for the petitioner's HDFC bank account number 57500000166114, it was ascertained that this account involved so far in 172 NCRP complaints across various states in India. Hence, on 05.08.2025, a detail request was sent to HDFC bank to provide list of complaint lodged in the petitioner's HDFC bank account along with total fraudulent transaction amount and disputed amount. Despite multiple reminders, HDFC bank did not provide the requested data so far.

6.He further submitted that the petitioner's HDFC bank account number 57500000166114 transaction details were verified from NCRP portal. It was ascertained that the petitioner's HDFC bank account number 57500000166114 was involved in 172 NCRP complaints across various states in India with the total fraudulent transaction amount of Rs.8,37,969/- in which the total disputed fraudulent amount is Rs.3,03,998/- in multiple layers as per the NCRP portal.

7.The learned counsel for the 3rd respondent Bank filed counter and submitted that the 3rd respondent has no role in initiating or adjudicating the freeze on the subject bank account of the petitioner and only acted in strict compliance based on the instructions issued by the 2nd respondent/Investigating Officer, Cyber Crime Police Station, Central Crime Branch, Chennai in connection with C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138. The 3rd respondent Bank being a regulated entity, are bound by the Banking Regulations Act, 1949, the Reserve Bank of India Act, 1934 and statutory directives from law enforcing agencies. He further submitted that subject account of the petitioner is an Overdraft account opened on 22.03.2018 at the DLF Phase-I, Gurgaon Branch. The account is classified as loan account. As on 07.10.2025, an overdraft limit of Rs.75,00,00,000/-, the account reflected a net usable credit balance of Rs.75,51,48,349.25/-. Pursuant to the instructions of the Ministry of Home Affairs/Cybercrime Cell dated 19.02.2024 wherein it was informed as many as 163 complaints linked to petitioner's account. Accordingly, lien markings and hold entries of Rs.30,447.96/- were placed between 01.07.2024 and 17.08.2025 against LEA/MHA notices, strictly on the basis of Police and MHA cybercrime directions. The bank has duly reported and shared all such details with the Investigating Authorities as per law. As per NCRP.No.32901250002138 from the 2nd respondent, there are other complaints against the petitioner's account. Scanned reproduction of the same are as follows:

S. No	Complaint Date	Police Station	Fraudulent Amount Reported (in Rs.)	Disputed Amount (in Rs.)
1.	11.11.2023	Kerala Kollam Rural Ezhukone	29483	995
2.	18.02.2024	Odhisha Rourkela Bonai	10000	1000
3.	24.02.2024	Kerala Thrissur Rural Irinjalakuda	1340000	10
4.	24.02.2024	Maharashtra Pimpri – Chinchwad Police Commissionerate Chikhali	3650000	155
5.	01.04.2024	Uttar Pradesh Gorakhpur Shahpur	30000	502 502
6.	12.04.2024	Uttar Pradesh Saharanpur Nakur	91470	1400
7.	18.05.2024	Kerala Kannur City Cyber Crime PS Kannur	15770000	800
8.	18.05.2024	Maharashtra Gondia Ramnagar	1506833	119
9.	21.05.2024	Rajasthan Jaipur City (East) Pratap Nagar	172688	300
10.	20.06.2024	West Bengal Purba Burdwan Galsi	195000	2000
11.	12.06.2024	Rajasthan Jaipur (West) Karghani	41300	71
12.	13.06.2024	Assam Guwahati Central Chandmari	29503238	1085
13.	13.06.2024	Madhya Pradesh Bhopal Urban Habib Ganj	150000	497
14.	24.06.2024	Maharashtra Thane City Kapurbawadi	575000	748

15.	29.06.2024	West Bengal Kolkata South Eastern Division Tiljala	1300000	505
16.	05.07.2024	Uttar Pradesh Hathras Hathras Kotwali	5000	200
17.	09.07.2024	Gujarat Kachchh (Gandhidham) Adipur	10000	6000
18.	21.07.2024	Jharkhand Ranchi Ratu	1586058	1877
19.	23.07.2024	Telangana Rachakonda	13535000	952
20.	25.07.2024	Karnataka Bangalore City West Cen Crime PS	2199500	349 349
21.	25.07.2024	Madhya Pradesh Bhopal Rural	250000	50
22.	26.07.2024	Karnataka Bangalore City Southeast Cen Crime PS	679000	2603
23.	29.07.2024	Punjab Police Commissionerate Jalandhar Sardar Jalandhar	23500	108
24.	03.08.2024	Telangana Nalgonda Nalgonda 2 Town	22000	1437
25.	07.08.2024	Punjab Police Commisionerate Amritsar Sadar Amritsar	206000	856
26.	07.08.2024	Maharashtra Pune Chaturshingi	226252	1645
27.	10.08.2024	Haryana Gurugram PS Cyber South	129994	356
28.	11.08.2024	Tamil Nadu Madurai City	746559	2250
29.	14.08.2024	Chhattisgarh Raipur Telibandha	11496047	810.1
30.	16.08.2024	Tamil Nadu Krishnagiri	244435	3175 1546 1068
31.	18.08.2024	Madhya Pradesh Bhopal Urban Kamla Nagar	38000	1000
32.	21.08.2024	Telengana Rachakonda	21876000	1403
33.	22.08.2024	Tamil Nadu CCW SP-I SCCIC	13150000	77
34.	24.08.2024	Maharashtra Navi Mumbai C B D Belapur	1318622	504
35.	26.08.2024	Telengana	1992500	459
36.	29.08.2024	Bihar Gopalganj Phulwaria	30500	1342 1342
37.	30.08.2024	Uttarakhand Dehradun Raipur	7000	139
38.	08.09.2024	Andhra Pradesh Prakasham Jarugumalli	235000	78.5
39.	09.09.2024	Haryana Faridabad Cyber Crime Central	1000	616

40.	15.09.2024	Gujarat Surat City Pandesara	50000	620
41.	17.09.2024	Delhi South Cyber Police Station South	40000	150
42.	17.09.2024	Bihar Darbhanga Baheri	70000	123
43.	18.09.2024	Uttar Pradesh Ramabai Nagar Rajpur	39185	192
44.	24.09.2024	Delhi East Cyber Police Station East	147100000	99
45.	27.09.2024	Uttar Pradesh Lucknow East- Commissionerate Lucknow Ashiyana	130000	1569
46.	27.09.2024	Maharashtra Thane City Vishnu Nagar	684542	249
47.	30.09.2024	Maharashtra Pimpri-Chinchwad Police Commissionerate Sangavi	1750000	338.48
48.	30.09.2024	Uttar Pradesh Rural – Commissionerate Ghaziabad Crossing Republic	370450	1105 1105
49.	04.10.2024	Uttar Pradesh Commissionerate Gautam Buddha Nagar Noida Sector - 24	80860	600
50.	08.10.2024	Kerala Kozhikode City Feroke	65500	2473
51.	09.10.2024	Uttar Pradesh City – Commissionerate Ghaziabad Cyber Crime PS Ghaziabad	2350000	448
52.	10.10.2024	Rajasthan Jodhpur Rural Osian	51000	657
53.	11.10.2024	Tamil Nadu CCW SP- I SCCIC	29700000	3394
54.	11.10.2024	Uttar Pradesh East	80000	1174
55.	21.10.2024	Karnataka Mangaluru City Kavoor	6800000	2995
56.	23.10.2024	Maharashtra Mira Bhayandar Vasai Virar Police Commissioner Nallasopara	3428000	799
57.	24.10.2024	Andhra Pradesh Sri Sathya Sai Dharmavaram 515671	81999	2900
58.	25.10.2024	Telangana Hyderabad City Banjara Hills	50000	508

59.	26.10.2024	Maharashtra Navi Mumbai Koparkhairane Police Station	122000	1997
60.	27.10.2024	Tamil Nadu Madurai City	230999	999 999
61.	28.10.2024	West Bengal Kolkata South West Division Haridevpur	4025000	25
62.	02.11.2024	Maharashtra Mira Bhayandar Vasai Virar Police Commissioner Mira Road	1091123.04	142
63.	03.11.2024	Maharashtra Thane City Vishnu Nagar	90000	948
64.	06.11.2024	Bihar Rohtas Rohtas Cyber Police Station	51000	1000
65.	06.11.2024	Uttar Pradesh Moradabad Katghar	3600	999
66.	08.11.2024	Karnataka Bangalore City North Cen Crime PS	6790000	1148
67.	12.11.2024	Bihar Jamui Barhat	76400	370
68.	18.11.2024	Telengana Cyberabad Cyber Crime	861250	99
69.	20.11.2024	Bihar Patna Beur	32001	1446
70.	20.11.2024	Uttar Pradesh Amroha Saidnagli	34800	175
71.	22.11.2024	Haryana Hansi PS Cyber Crime Hansi	855000	1258
72.	25.11.2024	Maharashtra Thane City Chitalsar Manpada Police Station	30190000	268 200
73.	26.11.2024	Maharashtra Pimpri-Chinchwad Police Commissionerate Chinchwad	113790	1745
74.	01.12.2024	Bihar Aurangabad Narari Kala Khurd	26000	3252
75.	03.12.2024	Karnataka Vijayapur Chadachan	56155	750 1000
76.	05.12.2024	Uttar Pradesh Sonbhadra Anpara	5000	230
77.	06.12.2024	Delhi South Cyber Police Station South	169540	1469 1469
78.	09.12.2024	Karnataka Shivamogga Paper Town PS	10803	1224
79.	14.12.2024	Karnataka Bangalore City Bommanahalli	7020	1921
80.	18.12.2024	Maharashtra Brihan Mumbai City Dahisar	28516	800 240

81.	19.12.2024	Telangana Cyberabad Cyber Crime	4672000	399
82.	03.01.2025	Rajasthan Kota City Cyber Police Station	1958715	710.72 278
83.	03.01.2025	Uttar Pradesh City – Commissionerate Ghaziabad Nandgram	66444	1084
84.	04.01.2025	Gujrat Ahmedabad Rural Aslali	98000	799
85.	06.01.2025	Maharashtra Pune City Pune City Cyber Police Station	13666000	5
86.	07.01.2025	Uttar Pradesh Ambedkar Nagar Akbarpur	100000	2756
87.	10.01.2025	Tamil Nadu Chennai - CCB	18800000	4194
88.	15.01.2025	Telangana Rajanna Sircilla Sircilla Town	17500	269.75
89.	17.01.2025	Telengana Rachakonda	980011	4194
90.	17.01.2025	Punjab Tarn Taran Kacha Pacca	141450	1050
91.	21.01.2025	Tamil Nadu CCW SP-I Chennai South	2142090	821
92.	22.01.2025	Bihar Bhagalpur Shahkund	11700	1399
93.	22.01.2025	Karnataka Ramanagara Ramanagara Town	79998	1556
94.	23.01.2025	Maharashtra Brihan Mumbai City Cyber Police Station West Region	3266299	39.05
95.	24.01.2025	Karnataka Bangalore City East Cen Crime PS	185000	1000
96.	24.01.2025	Maharashtra Pimpri Chinchwad Police Commissionerate Hinjewdi	188900	1333
97.	24.01.2025	Chhattisgarh Raigarh Punjipatra	14622212	100
98.	29.01.2025	Karnataka Bangalore City Northeast Cen Crime PS	125000	4742
99.	05.02.2025	Uttar Pradesh Lucknow North - Commissionerate Lucknow Bakshi Ka Talab	1640000	508.48
100.	06.02.2025	Tamil Nadu Kolathur	13000	1244
101.	12.02.2025	Bihar Saran Dighwara	600000	499
102.	14.02.2025	Tamil Nadu CCW SP-I Chennai South	1680000	499
103.	14.02.2025	Tamil Nadu CCW SP-I Chennai East	1886354	355
104.	14.02.2025	Madhya Pradesh Panna Devendra Nagar	112500	747

105.	18.02.2025	Delhi Dwarka Cyber Police Station Dwarka	95666	5536
106.	20.02.2025	Maharashtra Brihan Mumbai City Dadar	504000	1859 1859
107.	21.02.2025	Chandigarh Chandigarh Sector- 31	236200	1294
108.	22.02.2025	Tamil Nadu Tambaram City-CCB Tambaram- CCB	3419000	503
109.	24.02.2025	Karnataka Bangalore City Southeast Cen Crime PS	3720000	187.82
110.	25.02.2025	Uttar Pradesh Lucknow East –Commissionerate Lucknow	5340	845 845
111.	26.02.2025	Haryana Panchkula Pinjore	60400	1103
112.	26.02.2025	Kerala Kottayam Palai	745000	1948.88
113.	28.02.2025	Tripura West	107000	603
114.	06.03.2025	Telangana Cyberbad Cyber Crime	6030000	372
115.	07.03.2025	Uttar Pradesh Jaunpur Khuthan	104842	698
116.	07.03.2025	Madhya Pradesh Balaghat Kotwali Balaghat	32800	56
117.	08.03.2025	Tamil Nadu Coimbatore	87000	902
118.	08.03.2025	Rajasthan Bhilwara Cyber Police Station	348700	480
119.	08.03.2025	Gujrat Gandhinagar	1458634	405
120.	08.03.2025	Uttar Pradesh Mahoba Kotwali Nagar (Mahoba)	50000	451
121.	09.03.2025	Kerala Alappuzha Harippad	1500000	6118
122.	09.03.2025	West Bengal Krishnanagar Police District Bhimpur PS	2551997	303
123.	10.03.2025	Maharashtra Pune City Pune City Cyber Police Station	4198051	1999.98
124.	11.03.2025	Delhi North Cyber Police Station North	60001.1	1550
125.	23.03.2025	Maharashtra Nashik Rural Saykheda Police Station	4000	449
126.	24.03.2025	Telangana Rachakonda Neredmet	46789	352.57
127.	26.03.2025	Tamil Nadu Redhills	47900	2155
128.	30.03.2025	Madhya Pradesh Badwani Anjad	170000	749
129.	31.03.2025	Telengana Rajanna Sircilla Vemulawada Town	22500	599 999
130.	02.04.2025	Gujrat Surat Rural Mandvi	19600	1050

131.	05.04.2025	Maharashtra Pimpri-Chinchwad Police Commissionerate	6612568.05	589
132.	05.04.2025	Odisha Rayagada	3450	1001
133.	11.04.2025	Odisha Subarnapur Binika	1000000	672
134.	13.04.2025	Gujrat Kachchh East (Gandhidham) Gandhidham A Div	150000	82.85
135.	15.04.2025	Gujarat Gandhinagar	593213	426
136.	16.04.2025	Bihar Bhojpur Nagar	143900	1136
137.	27.04.2025	Rajasthan Pali Desuri	38600	1701
138.	05.05.2025	Telangana Hyderabad City Cyber Crime	6858681	2134 2000
139.	11.05.2025	Maharashtra Nagpur City Nagpur City Cyber Police Station	4178905	33
140.	03.06.2025	Uttar Pradesh West Commissionerate Agra Kheragarh	312800	1235
141.	06.06.2025	Chhattisgarh Raipur Tikarapara	74000	498
142.	06.06.2025	Madhya Pradesh Rewa Civil Lines	26900	905
143.	17.06.2025	West Bengal Jalpaiguri Kotwali	722883	535.0
144.	27.06.2025	Madhya Pradesh Bhopal Urban Piplani	900000	2138.96
145.	11.07.2025	Tamil Nadu Chennai - CCB	74300000	821
146.	21.07.2025	Maharashtra Thane City Kolsewadi	1395200	1122
147.	16.08.2025	Maharashtra Brihan Mumbai City Adheri	347000	1000
		TOTAL	**55,25,01,205.2**	**1,75,836.1**

8.He further submitted that added to it, the 2nd respondent *vide* communication dated 06.05.2025 informed the 3rd respondent Bank to "debit freeze" the account number of the petitioner. The 3rd respondent Bank had put "debit freeze" of the petitioner's account based on the complaint from the 2nd respondent and other Law Enforcement Agency (from various State Police) in the National Cybercrime Reporting Portal (NCRP) and the 3rd respondent Bank has no role in prolonging the freeze. He further submitted that the Bank is operating for the benefit of customers and willing to make the account of the petitioner operational for easy business transaction, but for the directions and instructions from the statutory authorities, the freezing of account was made. By keeping a lien over the disputed amount, the account can be made operational. The 3rd respondent Bank is ready to abide by any direction of this Court.

9.In support of his submissions, the learned counsel for the 3rd respondent Bank relied on the decisions of this Court (**1.***M/s.Shriram Life Insurance Company Limited v. The State and Anr. in Crl.O.P.No.10569 of 2021 dated 18.06.2021,* **2.***Mohammed Saifullah v. Reserve Bank of India reported in 2024 SCC OnLine Mad 5604,* **3.***B.Kalyan v. The State and* *others in W.P.No.7993 of 2025 dated 20.06.2025* and **4.***B.Seenivasan v. National Cyber Crime Central and others in W.P.No.24931 of 2025 dated 07.08.2025*) for the point that earlier this Court on similar situations had given direction to the Commissioner of Police, Chennai to issue appropriate orders so that the Investigating Agency not to issue blanket order freezing of account without giving information to the account holder and freezing of the account can be limited to the disputed amount. Following the same, the Commissioner of Police issued circular in C.No.131/COP, GCP/Camp/2021 dated 24.06.2021 which was recorded in approval in ***Mohammed Saifullah case*** (cited supra). This Court in the case of ***B.Seenivasan*** case (cited supra) had taken note of the directions given by the Delhi High Court to the Ministry of Home Affairs in ***Neelkanth Pharma Logistics Pvt. Ltd., v. Union of India and another*** reported in ***2025 SCC Del 1055,*** had permitted the petitioner therein to operate the bank account.

10.Further, he placed reliance on the decision of the Hon'ble Apex Court in ***Shento Varghese v. Julfikar Husen and others*** reported in ***(2024) 7 SCC 23*** wherein the Hon'ble Apex Court analysed the provisions under Section 102(3) Cr.P.C comparatively with the provisions under 1882 Code, 1898 Code, 1973 Code and 2023 BNSS and upheld the powers of the Investigating Officer can issue prohibitory orders in case of freezing of bank accounts but with certain procedural guidelines.

11.In reply, the learned counsel for the petitioner submitted that the 2nd respondent now filed a statement showing that the petitioner's account appears in 172 NCRP complaints across India. This vague and unverified statements is deeply irresponsible. The NCRP is merely a digital repository that lists “matching accounts” algorithmically. The inclusion of an account number in that database does not constitute evidence of criminal involvement. Such blind reliance on automated data without even a preliminary verification or cross-reference with banking statements, is complete non-application of mind. The petitioner's company is a publicly listed company, cannot be equated to unknown individual account holders or mule accounts often associated with cyber frauds. The learned counsel further replied that the 3rd respondent Bank admits that the petitioner's account is an overdraft current account with a sanctioned limit of Rs.75 Crores and that only Rs.30,447.96/- was earmarked as lien but the entire account was nonetheless placed under a No Debit status reveals an internally inconsistent and irrational action. The 3rd respondent further claims that 163 complaints linked to the petitioner's account is nothing more than repetition of the 2nd respondent's unverified figures. There is no independent record annexed, no remittance trail, no forensic confirmation and nothing that establishes any criminal nexus. Added to it, this information was never conveyed to the petitioner prior to freeze or immediately after freezing of the account. Mere incidental or indirect inflow of any disputed amount into the petitioner's account arising from legitimate retail activity, cannot in law be construed as evidence as criminal complicity or *mens rea* and no way justify the arbitrary imposition of a blanket freeze on the petitioner's operational account.

12.On hearing the rival submissions and on perusal of the materials, it is seen that the petitioner is a publicly listed company who is having transaction in Account No.5750000016614 maintained in the 3rd respondent Bank. This account is an non-operational account used solely for inward remittances from retail customer and it is not used for thirty party transactions or disbursements. The petitioner company cannot be equated to an unknown individual account holders or mule accounts often associated with cyber frauds. The petitioner's account is an Overdraft current account with a sanctioned limit of Rs.75 Crores which is the admitted position. In this case, the 3rd respondent Bank on instructions from the 2nd respondent on 06.05.2025 imposed a complete "debit freeze" on the petitioner's bank account, thereby putting spokes in the financial cycle of the petitioner's company and bringing its business activities to a grinding halt. The petitioner's company projected its plans and business and obtained Overdraft facility for his business activities. The petitioner has an obligation to repay the Overdraft amount, apart from paying its vendors and other business exigencies, all depends upon the financial cycle, all activities interconnected, by freezing the bank account, the business projection will get collapsed.

13.It is seen that in this case, the 2nd respondent prior to issuance of direction to the 3rd respondent to freeze the petitioner's bank account, not followed the instructions given by the Commissioner of Police, Vepery, Chennai in C.No.131/COP, GCP/Camp/2021 dated 24.06.2021. Scanned reproduction of the same is as follows:

Office the
Commissioner of Police
Greater Chennai Police,
Vepery, Chennai-07.

C.No. 131 /COP. GCP/Camp/2021,

Dated: 24 .06.2021.

CIRCULAR MEMORANDUM

Sub: Instructions for seizure and freezing of account – Issued - Regarding.

Ref: Order of Hon'ble High Court of Madras in Crl.O.P.No.10569/2021, dated. 16.06.2021.

*****

Investigating Officers adopt the procedure established by law and circulars are issued from time to time to enhance the quality of investigation. Whenever some lacuna is noted, it has to be attended to so that the stake holders of justice delivery system effect action with minimum hindrance to public. In this connection an instance has come to notice in the referred court order, wherein the IO has frozen an insurance company's genuine account creating obstacle in their genuine business.

In view of the directions of the Hon'ble High Court, the following instructions are issued, when the bank accounts are to be acted upon.

1. IOs shall follow the due process of calling for

   (i) Suspension of account
   (ii) Freezing of account and
   (iii) Forfeiture of account during investigation into Bank accounts

2. Before issuing a notice U/s 102 Cr.P.C. for freezing any account the Investigating Officer should apply his/her mind to take all precaution so that no inconvenience is caused to genuine account holders.
3. While investigating the frauds through online, the Investigating Officer will direct the banker to suspend the account initially for a period of 3 days. This is imperative to avoid any diversion of crime proceeds by the accused would cause irreparable loss to the victims.

4. On the same day, notice be issued to the account holder/suspect/accused either under section 41 (A) Cr.P.C or 91 Cr.P.C. as is required.
5. If the account holder/suspect/accused does not turn up for investigation for the said notice the Investigating Officer shall issue a further notice under section 102 Cr.P.C to freeze the account until further order either from the Investigating Officer or from the court.
6. In case of any freezing of bank account, there should be an FIR. Without FIR, freezing bank account should not be entertained.
7. A notice is to be issued to the Banks / NBFCs with the specific mention of section 102 Cr.P.C for any freezing of account by the Investigating Officer.
8. In case of freezing account for investigation, the same should be intimated to the jurisdictional court immediately and account holder, if known, as per procedure U/s 102 Cr.P.C.
9. The frozen account holder, if it be a third party other than the accused, shall be summoned, examined and freezing or otherwise should be finalised, at the earliest.
10. If the account had flow of fraudulent money and much more than that was available, with orders of the immediate Supervising Officer in writing, the freezing should be applied to the extent of fraudulent proceeds.
11. The Investigating Officer will critically look for forfeiture of the balance available in the account holder/suspect/accused account by adopting due procedure established by law, if found involved.

All the Deputy Commissioners of Police in Districts and CCB, CWC should ensure that there should not be any deviance hereafter and will result in stringent action, if noticed.

Commissioner of Police,
Greater Chennai Police,
Vepery, Chennai-07.

To

All Additional Commissioners of Police in Greater Chennai Police.
All Joint Commissioners of Police in Greater Chennai Police.
All Deputy Commissioners of Police in Greater Chennai Police.

14.Previously, this Court reminded the Investigating Agency of the State to follow the above said circular including the 2nd respondent to follow the guidelines but this is not followed, which it cannot be taken lightly since it amounts to neglecting the duty and disrespecting the orders of the Superior Officers.

15.The Investigating Agency in a cybercrime case required to act with alacrity to safeguard the funds being eroded/siphoned out by cyber criminals in lightening speed. No doubt, that does not absolve the Investigating Agency to neglect and disregard the instructions given. No doubt, in cases of exigency, immediately freezing or putting hold of any bank account can be done and this should be followed by a notice to the concerned person, thereafter, a decision should be taken if justified to continue with the freezing of account but of course after giving proper notice, hearing the objections of the account holder and informing the nature of the doubtful transaction, all to be done without deviation.

16.In this case, as stated above, the petitioner is a publicly limited company doing retail business having branches all over India. The reason for receiving a complaint and finding other complaints registered in NCRP would no way justify the act of the 2nd respondent. The 3rd respondent only acted on instructions of the 2nd respondent, hence, it is the 2nd respondent who is responsible to analyse the account and thereafter if required to place lien over the doubted transaction and not a blanket lien and freezing of account of the petitioner's company. The petitioner is unable to operate his account and deal with the money lying in his account. As on date, the admitted position is that a lien has to be placed over the amount of Rs.3,03,998/-.

17.In view of the above, order freezing the entire account without quantifying the amount and period cannot be passed. Such order will be construed as violation of the fundamental rights of trade and business as well as violation of livelihood.

18.This Court directs the 3rd respondent Bank to defreeze the bank account of the petitioner in A/c.No.5750000016614 and keep a lien over a sum of Rs.3,03,998/-. The petitioner herein is permitted to operate his account subject to the condition that he shall ensure the account shall always have a minimum of Rs.3,03,998/-.

19.It is made clear that as and when a doubtful transaction is detected or received, which needs further probe, a lien can be placed to that amount alone and not a blanket freezing of account can be issued.

20.In the result, this Writ Petition is allowed. Consequently, connected miscellaneous petition is closed. No costs.

03.11.2025

Index: Yes/No
Speaking Order/Non-Speaking Order
Neutral Citation: Yes/No
vv2

To

1.The Nodal Cyber Cell Officer of Tamil Nadu,
National Cybercrime Reporting Portal,
Ministry of Home Affairs, Government of India,
New-Delhi, Pin-110037.

2.The Inspector of Police,
DELTA-4, Cyber Crime Branch Station,
Central Crime Branch,
Vepery, Chennai, Tamil Nadu.

3.The Public Prosecutor,
Madras High Court.

M.NIRMAL KUMAR, J.
vv2

W.P.Crl.No.474 of 2025

03.11.2025