2026:PHHC:082572

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH
***

116

CWP-11328-2026
Date of Decision: 25.05.2026

KULDEEP SINGH

…Petitioner

Versus

THE STATE BANK OF INDIA & OTHERS

…Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Parminder Singh, Advocate (through V.C) with
Mr. Ajay Pal Singh, Advocate
for the petitioner

Ms. Geeta Sharma, Advocate
For respondent Nos. 1 to 3 - Bank

Mr. Vikas Arora, D.A.G., Punjab

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JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking direction to respondent to de-freeze his bank account maintained with State Bank of India.

2. Learned counsel for the petitioner submits that respondent-Bank has frozen petitioner's account without notice. As per petitioner's information, the Bank has acted upon directions of Law Enforcement Agencies. He is not involved in any criminal activity. He is not named in any FIR relating to financial fraud, if any, committed by unknown persons. There

is entry of ₹67,000/- which has been credited in his account by unscrupulous ones. There is no order of Magistrate under Section 107 of Bharatiya Nagarik Suraksha Sanhita ('BNSS') with respect to his account. The petitioner shall not use suspicious amount.

3. Learned counsel for the respondents submits that Bank has acted upon directions of law enforcement agencies. They have no knowledge about involvement of petitioner in the commission of offence which prompted authorities to take impugned action. As per their information, entry of ₹67,000/- is suspicious in petitioner's account. The petitioner may be directed to visit bank for renewal of KYC, re-profiling and enhanced due diligence.

4. Heard the parties and perused the record.

5. Kerala High Court in ***Headstar Global Pvt. Ltd. v. State of Kerela, 2025 SCC OnLine Ker 3546*** has held that freezing of bank accounts must be proportionate, reasoned, and supported by material indicating the account holder's involvement in the alleged offence. Bank account under Section 106 of BNSS cannot be attached. The Supreme Court has dismissed SLP being ***SLP (Cri.) No.13433/2025*** filed against aforesaid judgment.

6. Bombay High Court in ***Kartik Yogeshwar Chatur v. Union of India, 2025 SCC OnLine Bom 4778*** has held that an Investigating Agency has no power to debit freeze or attach a bank account under Section 106 of the BNSS, and that any such action can be taken only in accordance with Section 107 of the BNSS upon orders of the competent Magistrate.

7. Delhi High Court in ***Neelkanth Pharma Logistics (P) Ltd. v. Union of India, 2025 SCC OnLine Del 1055*** has observed that freezing of an entire bank account merely on account of a small and identifiable amount alleged to be proceeds of cyber fraud having been credited therein, is a disproportionate and arbitrary exercise of power, particularly when the account holder is neither an accused nor even a suspect in the offence under investigation. The Court emphasized that such blanket freezing, without recording or communicating any reasons, results in grave civil and financial consequences, including disruption of business operations, dishonour of cheques and severe hardship, and directly impinges upon the right to livelihood. Innocent and unwary account holders cannot be made to suffer merely because proceeds of crime may have temporarily passed through their accounts, unless investigation reveals their complicity or conscious receipt of such funds.

8. From the perusal of record and arguments of both sides, it is evident that no FIR has been registered against the petitioner. No order of attachment under Section 107 of BNSS has been passed by the Magistrate. The respondent has frozen his account whereas a sum of ₹67,000/- has been marked suspicious. Claim of petitioner is genuine and deserves to be allowed. Accordingly, respondent-Bank is directed to de-freeze petitioner's account within one week from today.

9. As conceded by petitioner, he will maintain balance of ₹67,000/- in his account. It is made clear that this order shall not legalize any act or omission of the petitioner, if at any stage, he is found involved in the commission of any offence or violation of provision of any law in force.

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10. For the purpose of renewal of KYC, re-profiling and enhanced due diligence, the petitioner shall appear before Branch Manager, State Bank of India -respondent No.1 on 01.06.2026 (Monday) at 11:00 AM along with his passbook, two photographs, Aadhaar Card and PAN Card.

11. Disposed of in above terms.

12. Pending application(s), if any, stands disposed of.

(JAGMOHAN BANSAL)
JUDGE

25.05.2026
SDK

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No