



CWP-12328-2026 &amp; CWP-12346-2026

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

118+119 (2 cases)

CWP-12328-2026

Date of Decision: 14.05.2026

Gagandeep Phutela

...Petitioner

Versus

Union of India and others

...Respondents

And

CWP-12346-2026

Gagandeep Phutela

...Petitioner

Versus

Union of India and others

...Respondents

**CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL**

Present: - Mr. Mohit Kakkar, Advocate for the petitioner

Mr. Satya Pal Jain, Additional Solicitor General of India  
(*through video conferencing*) with  
Ms. Neha Sharma, Senior Panel Counsel  
for Union of India-respondent No.1

Mr. Teginder Singh, Advocate for  
respondent No.5-State Bank of India (in CWP-12328-2026)  
and for respondent No.4-Punjab National Bank  
(in CWP-12346-2026)

Mr. Brajesh Kumar, Advocate for respondent No.4  
(in CWP-12328-2026)

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**JAGMOHAN BANSAL, J.** (Oral)

1. As common issues are involved in the captioned petitions, with the consent of both sides, the same are hereby disposed of by this common order. For the sake of brevity and convenience, facts are borrowed from *CWP No.12328 of 2026*.

2. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking direction to respondent-banks to



de-freeze his bank accounts maintained with ICICI Bank, State Bank of India and Punjab National Bank.

3. Learned counsel for the petitioner submits that respondent-banks have frozen petitioner's accounts 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 one suspicious entry of ₹2,15,000 in his account maintained with State Bank of India. He transferred a sum of ₹1,70,000 to his account maintained with ICICI Bank and ₹35,000 to account maintained with Punjab National Bank. 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.

4. Learned counsel for respondent-banks submits that respondent-Banks have acted upon directions of Law Enforcement Agencies. They have not received any order from Magistrate. They have no knowledge about involvement of petitioner in the commission of offence which prompted authorities to take impugned action. As per their information, different amount of entries are suspicious in petitioner's accounts.

5. Heard the parties and perused the record.

6. 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 Hon'ble Supreme Court has



dismissed SLP being *SLP (Cri.) No.13433/2025* filed against aforesaid judgment.

7. 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.

8. 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.

9. 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 respondents have frozen 3 accounts whereas a sum of ₹2,15,000 is suspicious. He received said amount in one account and partially transferred



to other accounts. A total sum of ₹2,15,000 needs to be retained. Claim of petitioner is genuine and deserves to be allowed.

10. As conceded, a sum of ₹1,09,000 lying in State Bank of India's account shall not be utilized by petitioner. He shall be allowed to operate accounts maintained with aforesaid banks subject to further deposit of ₹1,06,000 with State Bank of India so that balance of ₹2,15,000 is maintained. The said amount shall remain frozen. The respondent-Banks are directed to de-freeze petitioner's accounts within one week subject to deposit of aforesaid amount.

11. 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.

12. Disposed of in above terms.

(JAGMOHAN BANSAL)  
JUDGE

14.05.2026

*Mohit Kumar*

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