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

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Date of Decision: 21.05.2026

M/s V.S. Light & Electricals and others

...Petitioners

Versus

State of Punjab and others

...Respondents

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: - Mr. Sahan Punj, Advocate for the petitioners

Mr. Vikas Arora, Deputy Advocate General, Punjab

Mr. Saurav Goyal, Advocate for respondent Nos.3 & 4

JAGMOHAN BANSAL, J. (Oral)

1. The petitioners through instant petition under Articles 226/227 of the Constitution of India are seeking direction to respondent No.4-State Bank of India to de-freeze current bank account maintained in the name of partnership firm-petitioner No.1.

2. Learned counsel for the petitioners submits that petitioner No.1 is a partnership firm and petitioner Nos.2 & 3 are its partners. Petitioner No.1 is engaged in the business of trading of electronic goods. Respondent-bank has frozen petitioner No.1's current bank account without notice. As per petitioners' information, the bank has acted upon directions of Law Enforcement Agencies. They are not involved in any criminal activity. They are not named in any FIR relating to financial fraud, if any, committed by unknown persons. There is no order of Magistrate under Section 107 of Bharatiya Nagarik Suraksha Sanhita ('BNSS') with respect to current bank account.



3. Reply filed by respondent Nos.3 and 4 is taken on record. Registry is directed to tag the same at an appropriate place.

4. Learned counsel for respondent Nos.3 & 4 submits that respondent-Bank has acted upon directions of Law Enforcement Agencies. They have not received any order from Magistrate. They have no knowledge about involvement of petitioners in the commission of offence which prompted authorities to take impugned action.

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,



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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 petitioners. No order of attachment under Section 107 of BNSS has been passed by the Magistrate. Claim of petitioners is genuine and deserves to be allowed. Accordingly, respondent-Bank is directed to de-freeze petitioner No.1's current account within one week from today.

10. It is made clear that this order shall not legalize any act or omission of the petitioners, if at any stage, they are found involved in the commission of any offence or violation of provision of any law in force.

11. Disposed of in above terms.

(JAGMOHAN BANSAL)
JUDGE

21.05.2026

Mohit Kumar

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