$~51

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 18897/2025 & CM APPL. 78682/2025

UTTAM RICE TRADERS THROUGH ITS SOLE PROPRIETOR UTTAM JAIN

.....Petitioner

Through: Mr. Paras Gupta, Adv.

versus

UNION OF INDIA & ORS.

.....Respondents

Through: Mr. Shashank Manish, Adv. for HDFC

CORAM:
HON'BLE MR. JUSTICE JASMEET SINGH

<u>O R D E R</u>

% **11.02.2026**

1. This is a writ petition filed under Article 226 of the Constitution of India seeking the following reliefs:

> *"a). Pass an interim relief of directing respondent no.4 for making active the OD bank account with A/ C no. 50200081889483 and savings bank of the sole proprietor bearing A/C no. 50100651186173 since no disputed amount has been credited in any of these two accounts.*
>
> *b). Issue a Writ of Mandamus or any other writ or order or direction in the nature of a Writ, directing the respondent no. 3 & 4 to defreeze the current account with account number 50200074238892, and make active the Over Draft (OD) bank account with account no. 50200081889483*

and personal savings bank account with account number 5100651186173 in the interest of justice and equity…"

2. The brief facts of the present case are that the petitioner is a sole proprietorship firm maintaining three accounts with the respondent No. 4, namely HDFC Bank. The petitioner is maintaining a current account bearing no. 50200074238892, an overdraft account bearing no. 50200081889483 and a personal savings account bearing no. 50100651186173 in the name of sole proprietor of the firm, i.e. Mr. Uttam Jain.

3. On 16.09.2025, the petitioner received a payment of Rs. 24,980/- against invoice No, URT/2025/2943 for a sum of Rs. 21,600/- dated 07.08.2025 and against invoice No. URT/2025/3680 amounting to Rs. 20,852/- dated 10.09.2025 from Shiv Nath Atta Chakki (Ekta Mkt) in its Current Account. The pending amount of Rs. 17,472/- was adjusted *vide* credit note bearing No. CN/144 dated 15.09.2025.

4. The petitioner came to know on 20.10.2025, that all his three accounts with the aforementioned description were frozen. On making an enquiry with the bank about the freezing of the account, the petitioner came to know that the same were frozen on account of request received from Cyberabad Cyber Crime Police Station, Telangana to freeze the accounts regarding a disputed amount of Rs. 680/-, which was transferred in the current account of the petitioner from Shiv Nath Atta Chakki *vide* transaction dated 16.09.2025. The petitioner tried contacting the bank authorities for defreezing of his bank accounts but to no avail. Hence, the present petition is filed.

5. In the present case, the petitioner is a sole proprietorship engaged in business of selling and distributing rice. The petitioner has annexed the concerned invoices in question along with payment and credit note. The disputed amount, if any, is only to the extent of Rs. 680/- and the total amount of more than Rs. 1 crore have been frozen by respondent No. 4 bank.

6. The respondent No. 1 is stated to have filed an affidavit, which is not on record. The respondent No. 4 bank has not filed any counter affidavit. The respondent Nos. 2 and 3 have been served, but there is nobody appearing on their behalf today.

7. In the present case, all the three accounts of the petitioner have been frozen for an allegedly disputed entry of Rs. 680/- .

8. It is pertinent to note that before freezing the account, the petitioner has not been given any shown cause notice by the respondent No. 4 bank, seeking explanation from the petitioner. Additionally, no cogent reasons for freezing the account of the petitioner have been informed.

9. The freezing of an account is an action entailing serious consequences creating hardships for commercial entities in their smooth functioning and the same might result in commercial debt to the petitioner. The respondent No. 4 bank cannot be permitted to take such harsh measures without complying with the principles of natural justice and without any application of mind.

10. Additionally, a coordinate bench of this Court has made categorical observations in paragraph No. 19 of its Order dated 16.01.2026 titled as ***Malabar Gold and Diamond Limited & Ors. v. Union of India & Ors., W.P.(C) 4198/2025,*** that actions of blanket freeze in cases where

the account holder is neither an accused nor a suspect, are manifestly arbitrary and in clear violation of Article 19(1)(g) and Article 21 of the Constitution of India.

11. For the said reasons, I am of the view that the impugned action of account freezing in the present case is not only in clear violation of the principles of natural justice but also disproportionate and an arbitrary exercise of power thereby striking a blow at the fundamental rights of the petitioner. The impugned action is without due application of mind as an indiscriminate blanket freeze has been imposed on all the accounts of the petitioner for an allegedly suspicious entry of a meagre amount. Therefore, the action deserves to be set aside.

12. Consequently, the petition is allowed and it is hereby directed the all the three accounts of the petitioner shall be de-freezed and activated except for an amount of Rs. 680/-, forthwith and not later than 2 days from the date of uploading the order.

13. The petition is disposed of in the aforesaid terms along with pending applications.

14. The documents handed over in court today are taken on record.

JASMEET SINGH, J

FEBRUARY 11, 2026/sp
(Corrected and released on 16.02.2026)