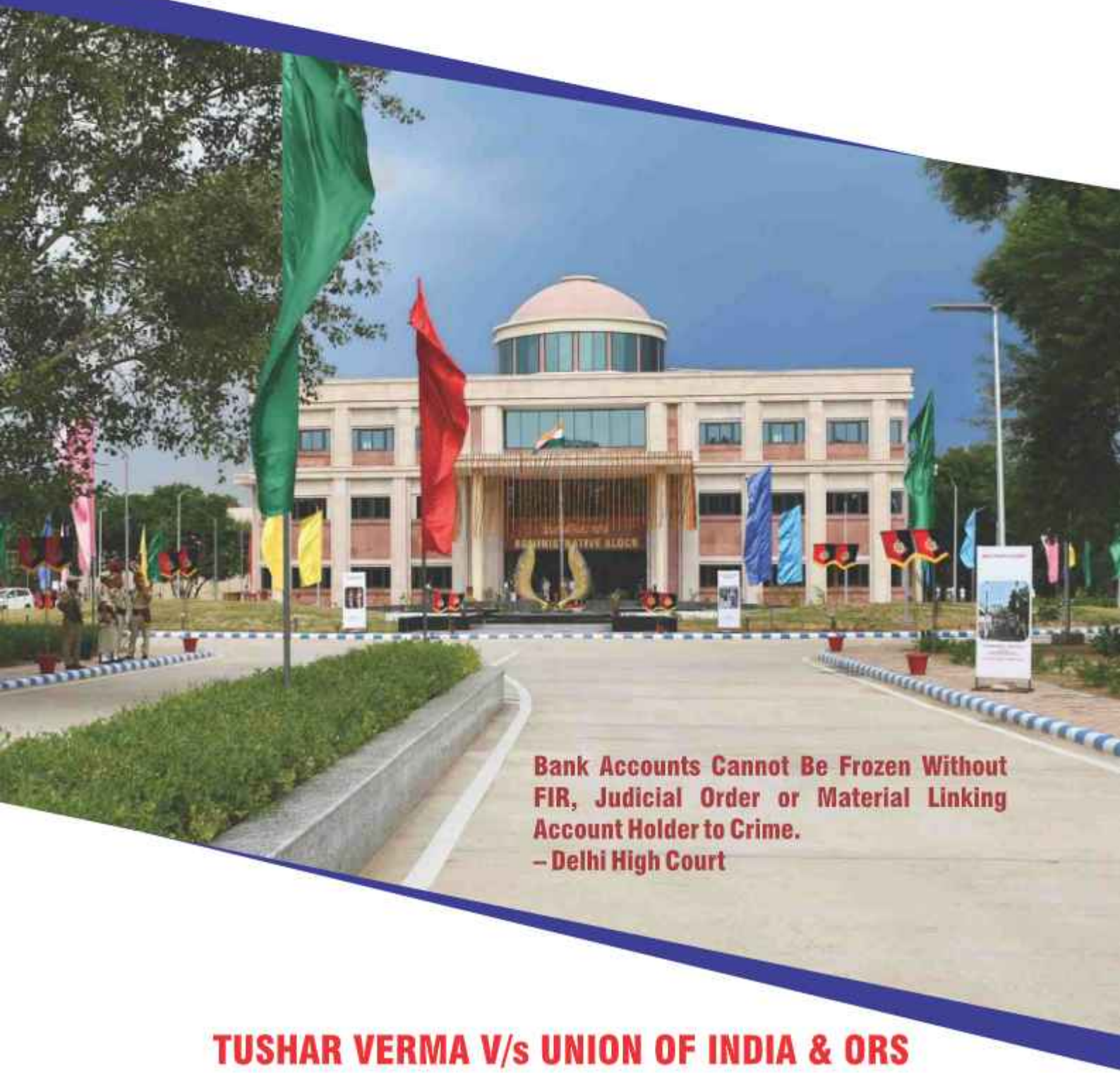
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DELHI POLICE ACADEMY

Delhi High Court WP(C) 7352/2025 CM Appeal No33045/2025
Date of Judgement: 04/05/2026

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Facts of the Case:

The petitioner, Tushar Verma, maintained a savings bank account with HDFC Bank Limited. On 08.11.2024, he received ₹87,694 from his brother. Subsequently, on 16.01.2025, the bank imposed a lien of ₹41,896.92 on the account pursuant to a communication received from the Cyber Police Station, Vadodara City, Gujarat. Later, on 22.03.2025 and 18.04.2025, the freeze was extended to the entire balance amount in the account.

The petitioner contended that:

- No FIR had been registered against him;
- He was neither named as an accused nor summoned as a suspect;
- No judicial order authorising the freezing had been produced.

His application before the Metropolitan Magistrate, Tis Hazari Courts, Delhi, was dismissed on the ground of lack of territorial jurisdiction. Aggrieved thereby, he approached the Delhi High Court under Article 226 seeking defreezing of his bank account and a declaration that freezing without prior notice was illegal and unconstitutional.

Issues Advanced:

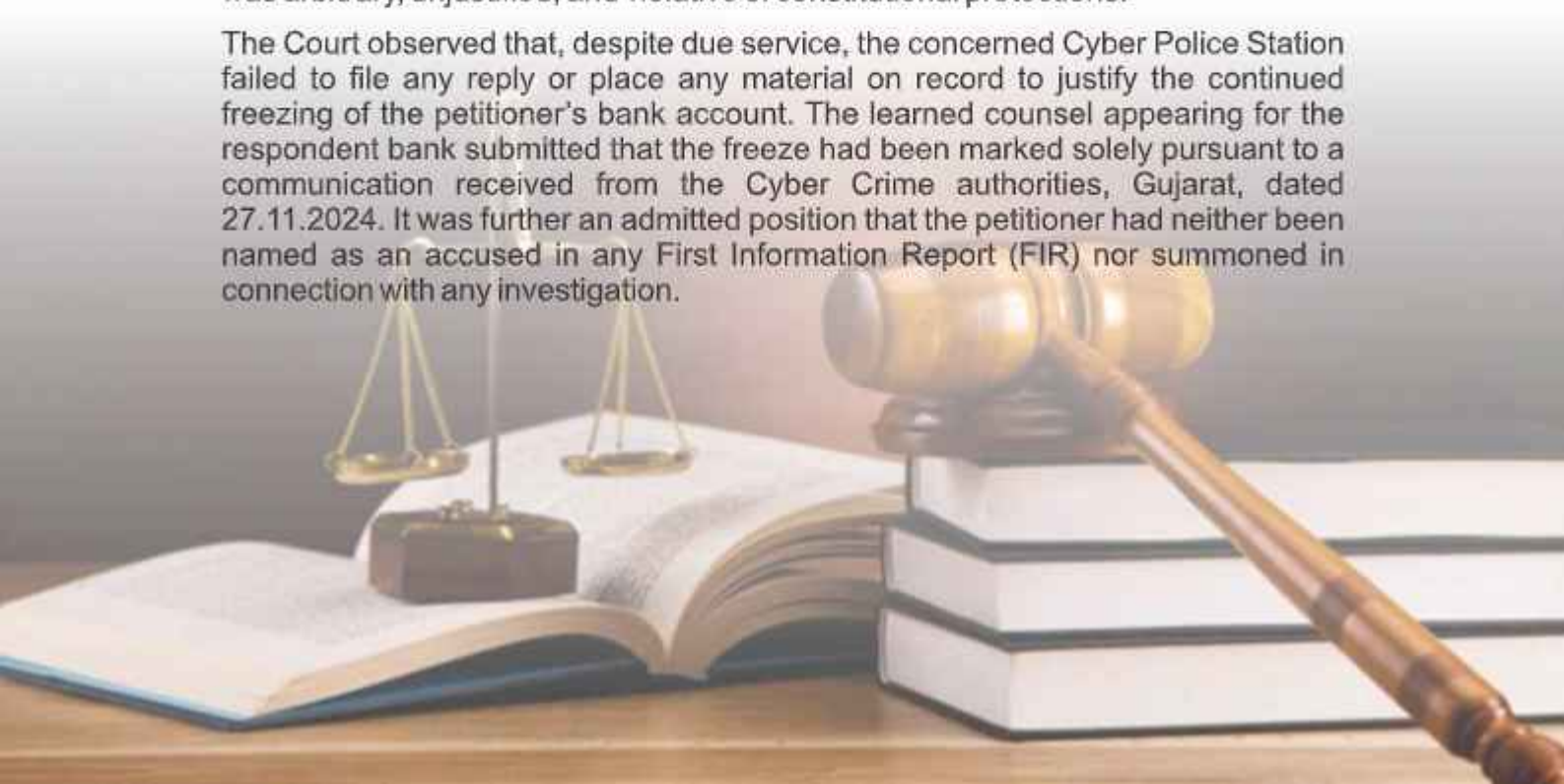
The principal issues before the Court were:

1. Whether a bank account can be frozen merely on the basis of a cyber complaint without registration of an FIR or any material connecting the account holder to an offence.
2. Whether continuation of a debit freeze without judicial authorisation violates Articles 19(1)(g) and 21 of the Constitution of India.

Judgement:

The Hon'ble Court held that the continued freezing of the petitioner's bank account was arbitrary, unjustified, and violative of constitutional protections.

The Court observed that, despite due service, the concerned Cyber Police Station failed to file any reply or place any material on record to justify the continued freezing of the petitioner's bank account. The learned counsel appearing for the respondent bank submitted that the freeze had been marked solely pursuant to a communication received from the Cyber Crime authorities, Gujarat, dated 27.11.2024. It was further an admitted position that the petitioner had neither been named as an accused in any First Information Report (FIR) nor summoned in connection with any investigation.



In these circumstances, the Hon'ble Court observed as follows:

Para 5. It is the petitioner's case that since thereafter, he has not been summoned, nor has any FIR been registered against him. The investigating agency, Respondent No.2 has chosen to remain silent and has not filed any reply. This continued inaction, coupled with the absence of any material to connect the petitioner to any offence, renders the freezing of his account wholly arbitrary and unsustainable in law.

Para 6. The Court thus finds that in the absence of there being any justification by the Cyber Crime, Gujarat, the continuing seizure of the petitioner's account was uncalled for. The bank has also not produced any order from a competent court authorising the debit freeze. This breaches the constitutional guarantees the petitioner is entitled to.

The Hon'ble Court relied upon its earlier decision in case titles 'Malabar Gold and Diamond Limited & Ors. v. Union of India & Ors.' and reiterated that indiscriminate freezing of bank accounts of persons who are neither accused nor suspects is constitutionally impermissible. The relevant para of that case is reproduced as under:

Para 19: In light of these provisions, it is also pertinent to note that ***any blanket or disproportionate freezing of bank accounts, particularly where the account holder is neither an accused nor even a suspect in the offence under investigation, is manifestly arbitrary, and in the teeth of the fundamental rights under Article 19(1)(g) and 21 of the Constitution of India, which encompass the right to livelihood and freedom to carry on trade and business. Such indiscriminate debit freezing, without any finding of complicity, has the inevitable effect of paralysing the day-today business operations of an otherwise innocent entity, resulting in loss of commercial goodwill and financial consequences, thereby subjecting a non-complicit account holder to punitive consequences.***

Further, the Hon'ble Court highlighted that a bank account constitutes an integral part of an individual's economic existence, and that freezing such an account without any accusation, FIR, or judicial order directly impairs the fundamental right to life and financial autonomy of the account holder. The relevant para is as under:

Para 8: ***A bank account is not just a place to keep money but is the very essence of an individual's economic existence.*** Cicero, the Roman jurist and philosopher, once declared: "So-and-so is innocent; but although he is free from guilt, he is not free from suspicion." That is precisely the petitioner's situation. His account is frozen and his money is stuck, but there is no accusation, no FIR, and no judicial order against him. ***Freezing an account without any justification is bound to cause impediments to the right to life.***

In view of the aforementioned reasons, the Hon'ble Court directed the respondent bank to immediately defreeze the petitioner's bank account while directing the petitioner to cooperate in any future investigation. The writ petition was accordingly disposed of.

