A.F.R.

**HIGH COURT OF JUDICATURE AT ALLAHABAD
LUCKNOW**

WRIT - C No. - 6602 of 2026

Ritesh Yadav

.....Petitioner(s)

Versus

Reserve Bank Of India New Delhi Thru. Its Governor And 6 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Manoj Sahu, Deepti Sahu
Counsel for Respondent(s)	:	Amit Jaiswal Ojus Law, Sanjeev Singh, Vivek Gupta

Court No. - 3

HON'BLE SHEKHAR B. SARAF, J.
HON'BLE ABDHESH KUMAR CHAUDHARY, J.

1. Heard Shri Anand Dubey, learned Counsel appearing on behalf of the petitioner, as well as Shri Sanjeev Singh, learned Counsel appearing for the respondent No.4, Dr. Amit Jaiswal along with Shri. Aditya Singh, Advocate, appearing for respondent No.5, and learned Additional Chief Standing Counsel for the State-respondent(s) and perused the materials available on record.

2. The present writ petition has been filed by the petitioner for seeking the following main relief(s):-

> ***"(i)*** *Issue a writ order or direction in the nature of Mandamus commanding the opposite parties to unfreeze/restore operations of the petitioner's Saving Bank Account No.20200129593768 (Bandhan Bank, Branch- Vikas Nagar, Lucknow) and all other bank accounts, which are opened in the name of petitioner i.e. Ritesh Yadav, detailed in paragraph 10 of this writ petition.* **"**

3. The petitioner claims to be engaged in construction-related work and supply of construction material on commission basis, in the name and style of 'Vrinda Traders' and has invoked the jurisdiction of this Court under Article 226 of the Constitution of India, principally aggrieved by the freezing of his bank accounts maintained with different scheduled commercial banks.

4. The case of the petitioner is that on 03.03.2026, while undertaking a routine commercial transaction, the petitioner noticed a "Lien Mark" on his bank account, as a consequence whereof the intended transaction failed. Upon due verification, the petitioner approached UCO Bank on 05.03.2026 and immediately communicated with the bank, seeking clarification regarding the removal of the lien, wherein he was informed of an alleged suspicious transaction to be the reason for marking a lien on his account. Subsequently, the petitioner approached the Cyber Crime Police Station, Hazratganj on 07.03.2026, where the petitioner was informed that the freezing of his accounts had been effected pursuant to directions emanating from an external cyber-crime agency.

5. After freezing of his aforesaid primary account, the petitioner simultaneously opened and operated some accounts with other banks in the ordinary course of his business. However, the freezing of account subsequently extended to his other bank accounts also, including those maintained with respondent-Bandhan Bank, ICICI Bank and Axis Bank, thereby paralysing the entire operation of his business and access to his funds. Upon making persistent enquiries, on 10.06.2026, the petitioner was informed that a disputed transaction of ₹36,000/- had been credited into his Bandhan Bank account and that, pursuant to an e-mail instruction dated 31.05.2026 issued by the Cyber, Economic and Narcotics Crime Police Station, Vijayapura, Karnataka, in connection with F.I.R. No. 18/2026 (Crime No. 06/2026), a debit freeze had been directed in respect of his account by treating him as a "suspected customer".

6. Upon being apprised of the aforesaid disputed transaction, the petitioner addressed E-mail communications dated 10.06.2026 and 12.06.2026 to the concerned bank, furnishing details of the disputed amount and requesting that the account be de-frozen. Despite subsequent representations and personal visits, the entire balance in his accounts continue to remain frozen. The petitioner thereafter, approached the concerned Investigating Officer on 13.06.2026 and requested that, if any restraint was considered necessary in relation to the disputed transaction, the same be confined to the alleged suspicious amount of ₹36,000/- and the remaining funds in his accounts be released so as to enable him to carry on his business. However, apparently the Bank refused to oblige and accede to the request of the petitioner.

7. Therefore, the core grievance of the petitioner is that although the alleged disputed transaction is confined to an amount of ₹36,000/-, the operation of his multiple bank accounts has been completely restrained, thereby disabling him from accessing and utilising the funds otherwise lying therein. It has also been alleged that no formal notice or order in accordance with law, was served upon him before or after such freezing. Though, the petitioner has expressed his willingness to secure the disputed amount of ₹36,000/- by permitting a lien to continue over the said amount or by furnishing such security as may be directed by the competent authority. In the aforesaid circumstances, the petitioner has approached this Court seeking appropriate directions for de-freezing of his bank accounts, subject to such restraint, if any, being confined to the disputed amount, and for permitting him to operate the balance funds lying therein.

8. Thus, the principal issue which arises for consideration before this Court is 'whether in the facts and circumstances of the present case, the entire bank accounts of the petitioner can be subjected to a debit freeze when the alleged disputed transaction is confined to a specific amount of ₹36,000/- only.'

9. At the outset, it is necessary to observe that this Court is conscious of the increasing menace of cyber financial fraud and of the necessity of enabling investigating agencies to act with promptitude so as to prevent dissipation of the proceeds of crime. A bank account can, in an appropriate case, constitute "property" within the meaning of the relevant statutory provision, and the investigating agency is not denuded of its power to take lawful steps for securing property having a nexus with the alleged commission of an offence.

10. At the same time, the power of investigation cannot be exercised in a manner which is disproportionate to the object sought to be achieved. The power to place a restraint upon a bank account cannot be understood as an unfettered power to bring the entire financial life and legitimate business activity of an individual to a standstill, particularly where the investigating agency itself has identified a specific disputed amount.

11. As far as the issue in hand relating to freezing a Bank account under the suspicion of Cyber-crime is concerned, this Court has already considered the aforesaid issue in detail vide a judgment dated **19.01.2026,** passed in the case of ***Khalsa Medical Store v. RBI,*** reported in ***2026 SCC OnLine All 164;*** wherein one of us (Shekhar B. Saraf, J.), after considering the statutory framework and the judgments of the Hon'ble Supreme Court, including ***State of Maharashtra v. Tapas D. Neogy,*** *(1999) 7 SCC 685;* ***Teesta Atul Setalvad v. State of Gujarat,*** *(2018) 2 SCC 372;* and ***Nevada Properties (P) Ltd. v. State of Maharashtra,*** *(2019) 20 SCC 119;* has laid down certain principles governing freezing of bank accounts in cases involving suspicion of cyber crime, which read as follows:-

> ***"12.*** *After sifting through the ratios laid down in the catena of judgments mentioned above, and upon applying our mind to the issue at hand, the following principles may be laid down for freezing a bank account under a suspicion of cyber crime:—*
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> > ***A.*** *Section 106 of BNSS should not be interpreted to empower police officers to intervene in money disputes by seizing property especially based on mere suspicion but it must be bolstered by reasonable belief.*
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> > ***B.*** *Information for freezing the bank account by the investigating officer shall be sent immediately to the nodal officer of the bank of the beneficiary or payment service system, including the payment aggregator, so as to take action at their end. The police officer must furnish information with relation to the alleged crime and should accompany a copy of the FIR or information received. The bank or the payment system operator (PSO) may decline a request, if it is received without a copy of any complaint or FIR.*
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> > ***C.*** *The notice under Section 106 of the BNSS may require to mark lien on a specific amount (money allegedly transferred from or to the bank account of accused), but in no case the police may ask or request any bank or payment system operator (PSO) including payment aggregator, to block or suspend entire financial account.*
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> > ***D****. As soon as information to block or put on hold or marking of a lien is forwarded to a bank or any financial intermediary, including a payment system operator (PSO), then the information shall simultaneously be sent to the jurisdictional Judicial Magistrate within 24 hours. Failure to inform may render such an action as void.*
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> > ***E.*** *If any bank puts on hold any bank account or escrow account maintained by any entity/citizen on the request of the police without following the proper procedure, then the bank shall be personally liable for the Civil and Criminal consequences for the loss*

> *including financial and reputational damage of such entity/citizen.*
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> ***13.*** *From a perusal of the above, we are of the view that in case of a cyber crime, the Investigating Officer is required to not only issue notice under Section 94/106 of the B.N.S.S., 2023 to the banks concerned but the same must contain the amount for which lien is sought. A blanket notice without indicating the amount, on which lien is being sought, would be illegal and arbitrary. Furthermore, the Investigating Officer is required to intimate the jurisdictional Magistrate of the said cyber crime and inform the banks of the case number that has been registered on basis of which said lien/freezing is sought.*
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> ***14.*** *In several of these cases, we are finding that the debit freeze is sought on the entire account of the petitioners without providing to the bank the seizure notice that is required to be issued by the Investigating Officer. Furthermore, details of cases that have been registered before the court concerned are also not provided to the banks, who in turn cannot provide it to the persons whose accounts are being frozen/lien being created.*
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> ***15.*** *In our view, this entire action is unjustified and illegal. One may understand a situation wherein there is a requirement for freezing an account for a limited period so that the proceeds of crime are not removed. However, even in these extreme cases, it is incumbent upon the Investigating Officer to provide the bank within three to four days the seizure order passed for putting a lien on the bank account, the case number on the basis of which such lien/freezing is being conducted, as well as, provide the amount on which the lien is sought to be created.*
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> ***16.*** *In the present case, it is clear that no amount has been indicated in the notice that has been issued to the bank. Furthermore, copy of the F.I.R. has not been provided nor any seizure order has been provided to the bank, in spite of the bank having written to the Investigating Officer to provide the same.*
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> ***17.*** *In light of the same, we are unable to sustain and countenance the mechanism that has been used by the Investigating Officer wherein the entire account of the petitioner has been frozen. No information has also been provided to the bank with regard to the court wherein the particular case is pending. In light of the same, the impugned notice is quashed and set aside with a direction upon the banks concerned to immediately de-freeze the accounts of the petitioner and allow the petitioner to carry on his normal banking activities. Liberty is also granted to the petitioner to inform the bank for immediate de-freezing of the account in the course of the day today*."

12. The principles laid down in ***Khalsa Medical Store*** *(supra)* are of considerable relevance to the present controversy. In particular, this Court held that the notice issued by the Investigating Officer should specify the amount in respect of which the lien is sought and that a blanket direction for blocking or suspending the entire financial account cannot ordinarily be sustained where the alleged transaction relates only to a specific amount. It has been further held that the Investigating Officer is required to furnish the relevant particulars of the crime, including the case/F.I.R. details, to the concerned bank and to intimate the jurisdictional Magistrate in accordance with law.

13. The aforesaid principle is also consistent with the requirement of proportionality. A restraint imposed upon property during investigation must bear a rational nexus with the property allegedly connected with the offence. According to this Court, when the investigating agency has already identified ₹36,000/- as the disputed amount, a restraint over the entirety of the petitioner's accounts, without disclosing any material indicating that the remaining funds are also connected with the alleged offence, would operate far beyond the object of securing the alleged proceeds of crime. The issue assumes greater significance in the present matter, as the petitioner is stated to be carrying on a commercial business. The complete freezing of several bank accounts does not merely prevent the petitioner from withdrawing the disputed amount; it also has the effect of disabling him from meeting legitimate business obligations, making payments to suppliers, receiving legitimate business receipts and otherwise carrying on his ordinary commercial activities.

14. The State and the investigating agency have undoubtedly a legitimate interest in ensuring that the alleged proceeds of cyber crime are not dissipated. However, such legitimate investigative interest can be adequately protected by retaining a lien upon the amount which is specifically alleged to be connected with the disputed transaction, subject to further orders passed by the competent authority or Court in accordance with law. It is also material that the petitioner has not disputed that an amount of ₹36,000/- is the subject matter of the alleged disputed transaction. On the contrary, he has expressed his willingness to permit the said amount to remain under lien, subject to the outcome of the investigation, while seeking release of the remaining funds.

15. In these circumstances, we find that continuation of a blanket debit freeze over the entire bank accounts of the petitioner, to the extent it operates beyond the amount of ₹36,000/-, cannot be sustained in its present form. Accordingly, the Bank is directed to immediately de-freeze the account of the petitioner and permit him to operate the same in accordance with law, after marking a lien of ₹36,000/-, in the said account of the petitioner.

16. There is another aspect of the matter which requires consideration. As a matter of fact, this Court has been flooded with writ petitions seeking de-freezing of the bank account in cases of cyber-fraud and/or similar suspicious transaction. While, this Court in ***Khalsa Medical Store case*** *(supra)* had directed to mark a lien on the suspicious/disputed amount and permit the operation of bank account, however, we have found that there had been no mechanism for getting the release of the said lien marked amount, especially keeping in view that in most of the cases the bank is obliged to freeze the bank account on the direction of NCRP officers, and at times even the bank is not aware of the quantum of suspicious amount or the next step to be taken. Thus, keeping in view of the aforesaid issue, we have called upon the learned counsel for the parties, especially the counsel appearing for the NCRP, to address this Court on the said issue.

It has been submitted that the Ministry of Home Affairs has formulated a **'Standard Operating Procedure'** (hereinafter referred to as "SOP") concerning the National Cybercrime Reporting Portal (NCRP) and the Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS), for a G rievance Redressal Mechanism in cases where digital banking services have been suspended or bank accounts have been seized on the basis of information available on NCRP-CFCFRMS. The relevant extract from the same is reproduced hereunder :-

"10. Grievance Redressal Mechanism

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> ***10.2 In cases of grievances related to suspension of digital banking services or seizure of accounts or any other property on the basis of information available on NCRP-CFCFRMS, the following***

<u>process will be followed:</u>

a) *Directions for seizure of bank accounts or suspension of digital banking services shall be given under Section 106 BNSS or any other extant laws.*

b) *A person affected by such an action will approach the bank branch where her account is held or any other designated branch or office. The bank will undertake CDD as prescribed in relevant RBI circulars/ Master Directions, updated from time to time and the justifications submitted by the person, exercise Enhanced Due Diligence (EDD) and if convinced about the bonafides of the credentials and the transactions, submit the grievance to the Grievance Redressal Module of NCRP-CFCFRMS with the necessary information including explanations submitted by the aggrieved person. Banks and FIs would be expected to submit such a grievance at the earliest and not beyond 07 calendar days from the day the account holder or aggrieved person complains.*

c) *The grievance will be assigned to the IO or Police Officer issuing directions for suspension of digital banking services or seizure, and also notified to the concerned State and District Grievance Officers. If there are multiple directions mandating suspension of digital banking services or seizure, the grievance will be assigned to each of the Officers issuing such directions along with the notification to the concerned State and District Grievance Officers.*

d) *The IO or Police Officer of the case shall verify the requests made in the grievance. For this, he may seek additional information from the aggrieved account holder. The IO or Police Officer of the case should use Video Conferencing to the extent possible to interview the aggrieved account holder. The IO or Police Officer may also take assistance from the Police Station of the area where the account holder resides for the purpose of verification. For this, the CIAR module of the Samanvaya Platform can be used. If satisfied with the verifications and the explanations submitted, he may direct the concerned bank to release the seized account or enable the digital banking facilities, keeping the reported amount on hold, as the case may be, under intimation to the district and state grievance officer, duly updating the Grievance Redressal Module, within 15 calendar days.*

e) *If the IO or Police Officer is not satisfied with the explanation submitted by the aggrieved person, she shall submit her remarks on the Grievance Redressal Module, duly recording her reasons, within 15 calendar days of receipt of the grievance on the portal, and the same will be communicated to the account holder by e-mail or SMS.*

> ***f)*** *If the IO or Police Officer doesn't address the grievance within 15 calendar days, then on the completion of the 15th day, the grievance will be automatically notified to the District Grievance Officer. Further, if the account holder is not satisfied with the orders of the IO or Police Officer, she may file the review request within 15 calendar days of receiving intimation, which will then be reviewed by the District Grievance Officer. The District Grievance Officer will pass appropriate instructions to the IO or Police Officer and update her decision on the Grievance Redressal Module within 15 calendar days of being notified. As instructed by the District Grievance Officer, the IO or Police Officer shall take appropriate action and update the portal within 2 calendar days. Banks and FIs should furnish the requested information at the earliest and not later than 2 calendar days to enable expeditious disposal of the grievance.*
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> ***g)*** *Any account holder aggrieved by the decision of the District Grievance Officer to continue the seizure or suspension of digital banking services may prefer an appeal against the decision to the State Grievance Officer within 15 calendar days. The State Grievance Officer or any other officer designated by the state DGP/CP shall review the details of the grievance raised, if required, may seek additional case details and assess the need for continued seizure or suspension of the digital banking services of the account. The State Grievance Officer will pass appropriate instructions to the IO or Police Officer and update her decision on the Grievance Redressal Portal within 15 calendar days of being notified. As instructed by the State Grievance Officer, the IO or Police Officer shall take appropriate action and update the portal within 2 calendar days. Banks and FIs should furnish the requested information at the earliest and not later than 2 calendar days to enable expeditious disposal of the grievance.*
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> ***h)*** *Any account holder or any other person on her behalf, aggrieved by the decision of any Grievance Officer, at any point of time, may approach the jurisdictional Court for restoration of digital banking services or unfreezing of the said account.***"**

Para 10.2 of the aforesaid SOP specifically contemplates a structured mechanism whereby an affected account holder may approach the concerned bank branch or designated office; the bank is required to undertake Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD); and, where the bank is satisfied regarding the bona fides of the credentials and transactions, the grievance is required to be submitted through the Grievance Redressal Module of NCRP-CFCFRMS within the stipulated period. The mechanism thereafter, provides for consideration of the grievance by the concerned Investigating Officer/Police Officer and, where necessary, review and appeal before the District and State Grievance Officers.

17. The existence of such a mechanism is of considerable significance, keeping in view the swarm of cyber-frauds reported these days and in most of the cases from remote locations. A citizen whose bank account has been subjected to a debit freeze may not necessarily have access to the investigating agency situated in another State/location or to the particulars of the case pursuant to which the restraint has been imposed. The Grievance Redressal Mechanism contemplated by Para 10.2 of the SOP is, therefore, intended to provide an accessible and time-bound institutional channel through which an aggrieved account holder may seek verification, reconsideration and, where warranted, release of the account or restoration of digital banking facilities while protecting the amount actually under investigation. It is, therefore, necessary in the public interest that the existence of such mechanism is made known to persons whose accounts are subjected to restraint. An undisclosed remedy is, for all practical purposes, incapable of being effectively availed of. Banks and financial institutions, being the first point of contact for an account holder whose banking operations have been suspended, have an important role in ensuring that the prescribed Grievance Redressal Mechanism is made both accessible and visible.

18. Accordingly, while disposing of the present writ petition, we consider it appropriate to issue certain directions not only for redressal of the petitioner's grievance, but also to ensure uniform adherence to the mechanism contemplated by Para 10.2 of the Standard Operating Procedure (SOP) issued by the Ministry of Home Affairs, which are as follows:-

(i) The respondent-Banks shall forthwith permit operation of the petitioner's bank accounts beyond the amount of **₹36,000/-**, and the restraint, if any, shall remain confined to the said amount, subject to any lawful order subsequently passed by the competent Investigating Officer, Magistrate or Court, in accordance with law.

(ii) The concerned Investigating Officer shall, if not already provided, furnish to the concerned bank the particulars of the F.I.R./crime case, the basis of the restraint and the specific amount in respect of which lien is sought, and shall comply with the statutory requirement of intimating the jurisdictional Judicial Magistrate, in accordance with law.

(iii) Nothing contained in this order shall prevent the Investigating Officer from conducting the investigation into the alleged cyber crime or from taking any action permissible in law against the petitioner or any other person. However, any further restraint upon the petitioner's bank account shall be imposed strictly in accordance with the applicable statutory provisions and the principles laid down by this Court in ***Khalsa Medical Store*** *(supra).*

(iv) All the respondent-Banks and financial institutions shall, in cases falling within the NCRP-CFCFRMS framework, adhere to the Grievance Redressal Mechanism contained in Para 10.2 of the Standard Operating Procedure (SOP) issued by the Ministry of Home Affairs, as amended or updated from time to time.

(v) Every Bank/financial institution operating within the territorial jurisdiction of this Court shall designate and maintain an appropriate mechanism/nodal arrangement for receiving grievances relating to suspension of digital banking services, seizure of accounts or marking of lien pursuant to cyber-crime directions, and shall process such grievances in accordance with Para 10.2 of the aforesaid SOP within the prescribed timelines.

(vi) The concerned Banks/financial institutions shall prominently display, at their branches and designated offices dealing with customer grievances, a notice informing account holders of the Grievance Redressal Mechanism available under Para 10.2 of the Standard Operating Procedure (SOP) issued by the Ministry of Home Affairs, including the manner in which such grievance may be submitted through the prescribed NCRP-CFCFRMS mechanism.

(vii) The aforesaid information shall also be prominently and readily accessible on the respective official websites of the Banks/financial institutions, preferably under the headings relating to Customer Grievance Redressal, cyber fraud, account freeze/lien or digital banking suspension, so that an affected account holder can readily ascertain the procedure available for seeking redressal.

(viii) The aforesaid notice shall, at a minimum, indicate that an account holder affected by freezing/seizure/suspension of digital banking services may approach the concerned Bank branch/designated office and that the grievance, upon satisfaction of the prescribed requirements, is to be processed through the Grievance Redressal Module of NCRP-CFCFRMS, in accordance with Para 10.2 of the Standard Operating Procedure (SOP) issued by the Ministry of Home Affairs.

(ix) The respondent-Banks and financial institutions shall ensure that the Grievance Redressal Mechanism is not rendered illusory by directing an aggrieved account holder from one office to another without providing an effective channel for registration and processing of the grievance.

(x) The aforesaid directions shall be read harmoniously with the statutory powers of the investigating agencies and shall not be construed as interfering with any lawful investigation, seizure or restraint undertaken in accordance with law.

20. We deem it appropriate to observe that the object of the aforesaid directions is not to dilute the statutory powers of the investigating agencies in combating cyber crime. On the contrary, the object is to ensure that the legitimate power to prevent dissipation of the proceeds of crime is exercised in a manner which is transparent, proportionate, traceable and consistent with the procedure established by law. At the same time, an innocent account holder ought not to be subjected indefinitely to a complete deprivation of access to his legitimate funds merely because a disputed transaction of a specified amount has passed through his account.

The concerned authorities and the banking institutions are, therefore, expected to strike a proper balance between the imperatives of effective investigation of cyber financial offences and the legitimate right of an account holder to access and operate his undisputed funds. The mechanism contemplated under Para 10.2 of the Standard Operating Procedure (SOP) issued by the Ministry of Home Affairs provides an important institutional framework for achieving such balance and, therefore, its effective implementation assumes significance in public interest.

21. A copy of this order be sent to the Senior Registrar, attached to this Court for onward service to the R.B.I., with a direction to forward the same for compliance to all the banks/financial institutions, who shall educate its officers and staff, so as to ensure that the prescribed Grievance Redressal Mechanism is visible and accessible to its customers.

22. The writ petition is, accordingly, ***disposed of*** in the aforesaid terms.

23. There shall be no order as to cost(s).

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August 6, 2026
MVS/-

(Abdhesh Kumar Chaudhary,J.) **(Shekhar B. Saraf,J.)**