

B.Kalyan vs The State Of Tamil Nadu on 20 June, 2025

Author: P.Velmurugan

Bench: P.Velmurugan

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20-06-2025

CORAM:

THE HONOURABLE MR JUSTICE P. VELMURUGAN

Writ Petition No.7993 of 2025 and W.M.P.Nos.8970 and 8971 of 2025

B.Kalyan

Vs

1. The State Of Tamil Nadu

Rep by its Principal Secretary To Government, Department Of Home,

Fort St. George, Chennai-600 009.

2. Union of India, represented by its Principal Secretary to Government of India, Ministry of Home Affairs, Secretariat, New Delhi.

3. The Reserve Bank of India, Rep. by its Chief General Manager, Secretary to Government of India, Secretaries Department, 16th Floor, Central Office Building, Shahid Bhagat Singh Marg, Mumbai-400 001. Maharashtra State.

4. Citizen Financial Cyber Fraud Reporting and Management System (CFCRS), Rep. by Principal Secretary, Home Affairs, Secretariat, New Delhi.

5. The Branch Manager, HDFC Bank Ltd., ITC Centre,

Anna Salai, 759, ITC Centre, Anna Salai, Opp.TVS, Chennai-600002 009.

6. The Director and Inspector General of Police, Mylapore, Chennai-600004.

7. The Station House Officer, Cyber Crime Police Station,

Assistant Commissioner of Police, Hyderabad, Telangana State.

8. The Inspector of Police, Hanamkonda Police Station, Warangal Commissionerate, Hanak Konda, Telangana State.

9. The Station House Officer, Siddipet I-Town Police Station, Siddipet, Telangana State.

10. The Superintendent of Police, Cyber Security Bureau, Hyderabad, Telangana State.

11. The Inspector of Police, Cyber Crime Police Station, Cyberabad Commissionerate, Gachibowli, Hyderabad, Telangana State.

12. The State House Officer, Cyber Economic and Narcotic Crime Police East Division, Broadway Road, Shivaji Nagar, Bangalore-560 051. Karnataka State.

13. Station House Officer, Cyber Crime Police Station, Rajkot City,

14. The Station House Officer, Cyber Crime Police Station, Malappuram, Kerala State.

15. The Inspector of Police, Cyber Crime Police Station, Outer District New Delhi.

For Petitioner(s): M/s.M.Thiyagarajan, C.Karthik and M.Ganesh Babu

For Respondent(s):

Dr.C.E.Pratap, Govt. Advocate (Criminal Side)
1&6

Mr.L.J.Vengatesh, CGSC for RR-2 and 4

Mr.C.Mohan and MS.A.Rexy Josephine Mary for
M/s.King & Patridge for R-5
RR-3 and RR-7 to 15 - Not ready in notice

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The petitioner has filed the present Writ Petition praying for issuance of a Writ of Mandamus to direct the fifth respondent bearing Account No.50100105332203 in freezing the petitioner's Account by lien mark, of Rs.2,00,000/- at the instance of any respondents 7 to 15 Police stations without there being any cause or case against the petitioner is illegal, arbitrary, without jurisdiction and also opposed to all cannons of justice as well as in violation of Articles 14, 19(1)(g), 21 and 300-A of the Constitution of India and consequently direct the fifth respondent to lift the lien and de-freeze the petitioner's account No.50100105332203 by allowing the petitioner to operate his Savings Account which is salaried account.

2. Short facts that led to the filing of this Writ Petition are as under:

(a) The petitioner is an Engineering Graduate and working as Software Engineer in Bangalore and he opened the Bank Accounts with the fifth respondent/Bank while he was working in Chennai. Thereafter, he changed the Company to Bangalore and maintaining the fifth respondent's HDFC Bank Account No.50100105332203 and the same is using as his Salary Account and also availed personal loan from HDFC Bank and Axis Bank Rs.35,00,000/- and Rs.24,91,000/- respectively in total amount of Rs.59,91,000/- on 13.01.2023 and <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) 19.01.2023 and the said Bank disbursed his loan amount to his accounts as stated above.

(b) The petitioner did on-line trading only through fifth respondent-Bank Account. The petitioner did on-line trading with meagre profits on day-to-day transaction basis till he gets the registration with the Government of India under MSME under the category of advertising and market research. The petitioner used to trade Crypto Coin through BINANCE, which is authorised on-line platform, and the petitioner purchased Crypto Coins with the RPFAS Technologies Private Limited, alias MUDREX as a KYC registered user and sold the Crypto coins through BINANCE on-line plat-form only.

(c) The petitioner submits that the RPFAS Technologies Private Limited, alias Mudrex is a recognised leading Company, which deals with digital assets at Crypto Coins and he has purchased digital assets (Crypto coins from RPFAS Technologies Pvt. Ltd., through Invoice dated 22.06.2023 to 12.07.2023. The petitioner did on-line trading by advertising the assets on BINANCE on-line platform. Accordingly, the buyer made request to buy coins for a quantity of his choice by transferring amount into the fifth respondent's Bank Account.

(d) To the utter shock and surprise, he noticed that his Bank Account, which is using also as Salary Account, is freezed. He made complaint to the <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) customer care to his Bank and thereafter, in turn the petitioner received mail from the Manager of the respective Bank stating that the petitioner's Account is freezed by them on oral information from the respondents 7 to 15. The respondents 7 to 15 have given letter/notice by way of e-mail communication to the fifth respondent stating that the lien the amount and freeze the account. The account has been freezed and marked amount as lien by way of letter and oral communication without any intimation.

(e) The petitioner purchased 67,873.30 of Crypto Coins by paying Rs.60,00,000/- including GST on 13.07.2023. The petitioner has no other choice to know about the nature of source of funds the buyer transferred the amount to the petitioner's account, since the same is on-line multi-layer transaction, being a third layer transferee, since the petitioner has no relationship with the buyer, except only for trade transactions, which is done through on-line. The petitioner has sent reply to respondents 7 to 15 stating that he has not committed any mistake requesting to de-freeze and remove the lien mark the account with acknowledgement.

(f) The petitioner's Bank Account is freezed due to transfer of amounts by the buyers who allegedly got the amounts by transfer from the accounts of on- line fraud transaction as per the allegations made by the respondents. The 12th <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) respondent has specifically directed all the Banks which are linked to the petitioner's phone No. +91 - 90423 14331 to freeze the accounts of the petitioner, and due to this, the petitioner's all the other Bank Accounts are freezed without any information or notice to the petitioner. The respondents- authorities have no right to freeze the petitioner's accounts which is also part and parcel of transaction and hence, the fifth respondent, by freezing the petitioner's account, is illegal and against the principles of natural justice and liable to be set aside in accordance with law. The petitioner had made written representation to the fifth respondent-Bank requesting them to de-freeze the account of petitioner, dated 27.08.2024.

3. The learned Central Government Standing Counsel appearing for the respondents 2 and 4 contended as follows:

(a) The Indian Cyber Crime Coordinate Centre (I4C) is an organisation under the Ministry of Home Affairs (MHA) and has been actively engaged in addressing the rapidly increasing instances of cyber-crime across the country.

Indian Cybercrime Coordinate Centre (I4C) deals with cyber-crime in the country in a coordinated and comprehensive manner to create an effective frame-work and eco-system for the Law Enforcement Agencies of States/UTs for prevention, detection, investigation and prosecution of Cybercrime in the country. <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm)

(b) I4C has provided a centralised on-line plat-form, i.e. the National Cyber Reporting Plat-form (NCRP) for reporting cyber-crime and on-line financial fraud complaints. The complaint reported on this plat-form are automatically assigned to the relevant States or Union Territories within the portal and I4C has no control or intervention in it. The portal has two components:-

www.cybercrime.gov.in and the 1930 National toll-free help-line, through which cyber-crime complaints can be reported without the need to visit a Police Station by the victims of cyber-crimes. The 1930 help-line number, where calls are managed by call centres, operated by LEAs of States/UTs. After preliminary inquiry of the details submitted by victims, the LEAs of States/UTs, based on these complaints, issue notice to the Bank Officials to mark lien or hold the reported transaction as per the

relevant and applicable provisions of BNSS, 2023. Accordingly, the Bank Officials take action to lien or hold the reported amount.

(c) The on-line financial transactional frauds reported on the portal and through the 1930 helpline, are linked to a module called Citizen Financial Cyber-

crime Reporting and Management System (CFCFRMS), which is a module developed by I4C, MHA to trace fraudulent money in the financial channel. If fraud money is available in the financial channel, the fraud amount is put on a lien, i.e. on hold to prevent it from exiting the financial channel through the well-established coordination of LEAs and Bank/Financial Institutions.
<https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm)

(d) The system further informs the complainant through SMS about the lien. This enables the victim to know how much of the fraud money he has lost, has been saved and he can approach the jurisdictional Police Station for co-operating with the investigation of the case and approach the competent Court for the return of the lien amount. This intervention of marking a lien is exercised by the concerned Law Enforcement Agencies (LEAs) under Section 168 of the BNSS, which empowers the Police to prevent the cognizable offences. Hence, neither MHA nor I4C has any intervention or administrative control over the marking of lien or freezing of bank account.

(e) The Police Officers exercising powers under Section 102 Cr.P.C. / Section 106 of the BNSS for marking of lien and debit freezing of the account reported on the NCRP have been instructed to exercise due care and caution before issuing such orders.

(f) I4C is an attached office of the Ministry of Home Affairs and provides a platform, namely the National Cyber-crime Reporting Portal (NCRP) for reporting cyber-crimes and on-line financial complaints. I4C has no administrative control or jurisdiction over the functioning of States/UT Law Enforcement Agencies (LEAs) to act on the complaints. I4C co-ordinates with the stake-holders, including Law Enforcement Agencies of States/UTs Law Enforcement Agencies of
<https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) States/UTs, from time to time, on the issues relating to the functioning of the Portal & extends techno-legal support to the LEAs in matters of cyber-crimes.

(g) In this case, to identify the fraudsters and to ascertain the role of the petitioner, a thorough investigation has to be carried out by the concerned Law Enforcement Agencies (LEAs) to which the complaints have been assigned. In this regard, the respondents-Banks have to inform this Court regarding the notice/instruction of the concerned LEAs officials of the States/Union Territories (UTs) received on the NCRP-CFCFRMS, compliance with which they had frozen the Bank Account of the petitioner.

(h) As per the Article 246 of the Indian Constitution, public and Police are State Subject as per the 7th Schedule of the Constitution of India and hence, all the reported complaints are dealt by the respective State/Police Authorities, based on the information provided by the complaint and I4C has no role to play in the freezing of the Bank Account.

(i) In a similar case at the Kerala High Court, titled Dr.Sajeer Vs. RBI and another, on 25.09.2023, the Court passed a judgment pertaining to the de-freezing of the account with the following directions:

(a) The banks are instructed to freeze the accounts of the petitioners only <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) to the extent specified by the Police authorities;

(b) The Police Authorities must inform the Banks, if the freeze needs to continue within eight months.

(c) The Banks should comply with the instructions. If there is no information from the Police, the petitioners can approach the Court again.

(j) On 18.12.2023, the Jharkhand High Court in W.P (PIL).6086 of 2023, directed the I4C to prepare guidelines for digital banking transactions, restoration of defrauded amounts and grievance redressal mechanisms. The I4C has prepared a draft SOP, which is currently under consultation with stake-

holders.

(k) The SOP aims to standardize the procedures for law enforcement banks and financial intermediaries to prevent the mis-use of the system of lien marking and account freezing to help the victims of Cyber-Enabled Financial Crimes (CEFC) and restore the defrauded amount to the rightful owner while ensuring accountability of all the participants for their action and in-action and providing avenues for time bound grievance redressal for parties affected by the action taken based on information provided by the system. That the Police <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) officers exercising powers under Section 102 Cr.P.C./Section 106 of the BNSS for marking of lien and debit freezing of the account reported on the NCRP have been instructed to exercise due care and caution before issuing such orders.

(l) The Police officers exercising powers under Section 106 of BNSS for marking of lien and debit freezing of the account reported on the NCRP have been instructed to exercise due care and caution before issuing such notices.

(m) I4C and MHA has no role to play in the instant writ petition, and hence, an opportunity to the concerned LEAs of States/UTs involved in this case for marking lien or freezing bank account may be provided for apprising the Court about the status of their investigation. Accordingly, after obtaining the information of the respondents-Banks in this case, it is requested to implead these LEAs of the States/UTs for further report.

3. Contending as above, the learned Central Government Standing Counsel appearing for the respondents 2 and 4 sought to implead the Law Enforcement Agencies (LEAs) as a party to the present Writ Petition. In the considered view of this Court, it is not necessary to implead LEAs as

such.

4. Learned counsel for the fifth respondent submitted that they have <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) received so many complaints from the Police from various States regarding the dispute involved in this Writ Petition.

5. Further, according to the learned Central Government Standing Counsel, the respondents 2 and 4 will come under the "State Subject" in the Constitution of India.

6. This Court perused the materials available on record. This Court is not inclined to give any direction to the respondents who are outside the Jurisdiction of this Court.

7. Hence, the present Writ Petition is dismissed. However, the petitioner is at liberty to work out his remedy in the manner known to law. The Miscellaneous Petitions are closed.

20-06-2025 cs <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) To

1. The Principal Secretary To Government, Department Of Home, Fort St. George, Chennai-600009.

2. Union of India, represented by its Principal Secretary to Government of India, Ministry of Home Affairs, Secretariat, New Delhi.

3. The Reserve Bank of India, Rep. by its Chief General Manager, Secretary, Secretaries Department, 16th Floor, Central Office Building, Shahid Bhagat Marg, Mumbai-400001.

Maharashtra State.

4. Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS), Rep. by Principal Secretary, Home Affairs, Secretariat, New Delhi.

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13. Station House Officer, Cyber Crime Police Station, Rajkot City, Gujarat State.
14. The Station House Officer, Cyber Crime Police Station, Malappuram, Kerala State.
15. The Inspector of Police, Cyber Crime Police Station, Outer District, New Delhi.
16. The Public Prosecutor, High Court, Madras.
17. The Government Advocate (Criminal Side), High Court, Madras.
<https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm) P.VELMURUGAN, Jcs 20.06.2025 <https://www.mhc.tn.gov.in/judis> (Uploaded on: 24/06/2025 04:28:12 pm)