

V-Mart Retail Limited vs The Nodal Cyber Cell Officer Of Tamil ... on 3 November, 2025

Author: M.Nirmal Kumar

Bench: M.Nirmal Kumar

W.

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.11.2025

CORAM

THE HONOURABLE MR.JUSTICE M.NIRMAL KUMAR

W.P.Crl.No.474 of 2025 and
W.P.M.P.No.224 of 2025

V-Mart Retail Limited,
Represented by its Authorized Representative Mr.Thirumurugan,
Having its Registered Office at,
610-611, Guru Ram Dass Nagar,
Main Market Opposite: SBI Bank,
Laxmi Nagar, New Delhi-110092
and
Having its Branch Office at,
V-Mart Retail Limited, Plot No 25 and 28 Srinagar Colony,
Redhills Road, Kolathur Village Purasawalkam Taluk,
Block No3, Chennai,
Tamil Nadu-600099.

... Petit

vs.

- 1.The Nodal Cyber Cell Officer of Tamil Nadu,
National Cybercrime Reporting Portal,
Ministry of Home Affairs, Government of India,
New-Delhi, Pin-110037.
- 2.The Inspector of Police,
DELTA-4, Cyber Crime Branch Station,
Central Crime Branch,
Vepery, Chennai, Tamil Nadu.

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3.HDFC BANK LIMITED,
Represented by its Nodal Officer,
Having its Registered Office at,
HDFC Bank House, Senapati Bapat Marg,
Lower Parel, Mumbai-400013.
Having its Branch Office at,
3768 & 769, 7th Floor, A-Wing,
Spencer Plaza, Phase III,
Anna Salai, Chennai-600002.

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a writ of mandamus directing the respondents in free the petitioner's Account bearing A/c No.5750000016614 is illegal, arbitrary and in violation of law; and consequently direct the 1 st and 2nd respondent to forthwith de-freeze the said Account maintained by the petitioner in the 3rd respondent's branch, which was frozen at the instance of the respondent pursuant to the registration of the Writ Petition No.C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138.

For Petitioner : Ms.Durga V.Bhatt as
Mrs.Shruthikka.S

For R1 & R2 : Mr.Leonard Arul Joshi
Additional Public Prosecutor

For R3 : Mr.C.Mohan and
Ms.A.Rexy Josephine
M/s.King & Partridg

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ORDER

This Writ Petition has been filed to direct the respondents 1 and 2 to forthwith de-freeze the petitioner's Account bearing A/c.No.5750000016614 maintained by the petitioner with the 3rd respondent Bank, which was frozen at the instance of the 2nd respondent pursuant to the registration of complaint in C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138.

2.Learned counsel for the petitioner submitted that the petitioner viz., M/s.V-Mart Retail Limited is a publicly listed company engaged in the business of value fashion retail and FMCG Goods, operating more than 400 stores across India. It is a registered under the Companies Act. The company for his business purpose was having bank account with the 3rd respondent Bank in A/c.No.5750000016614 and exclusively maintained for the purpose of collecting customer payments via UPI and Card transaction. On 06.05.2025, the 3rd respondent Bank had imposed a complete "debit freeze" on the petitioner's bank account since the 2nd respondent registered a case in C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138. This account is an non-operational pass-through account used solely for inward remittances from retail customers and it is not used for third party <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) transactions or disbursements. The collected funds are routed to the petitioner's primary operating account to facilitate payments to vendors and other stakeholders. Thus, freezing the petitioner's bank account creates a direct and severe impact on the petitioner's ability to conduct daily business operation. The freezing of the account was carried out without prior notice informing the nature of the complaint and without affording any opportunity to the petitioner, thereby, the 2nd respondent violated the Principles of Natural Justice under Articles 14, 19(1)(g) and 21 of Constitution of India.

3.She further submitted that the petitioner had sent a detailed representation on 07.05.2025 to the 2nd respondent offering full cooperation and requesting revocation of freezed account. It was informed through telephone that an amount of Rs.4,194/- is disputed which was transacted in the petitioner's account. The petitioner following-up with repeated representations, in person had visited the office of the 2nd respondent on 02.06.2025, 06.06.2025 & 01.07.2025 and also sent representation by registered post and Email to both the respondents 2 and 3. Despite all efforts, the respondents failed to provide any meaningful answer and without legal justification, had freezed the account of the petitioner which is <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) in gross violation of Section 106 of BNS which mandates judicial oversight and procedure safeguards prior to imposing such intrusive measures. The failure to comply with the statutory due process renders the freeze illegal, ultra vires and unsustainable in law. Freezing of account requires written reasons be recorded showing necessity, judicial authorization to be obtained and only the proportionate amount suspected of being tainted may be subject to restrictions. On the other hand, the 2nd respondent directed a blanket freezing of entire amount, thereby renders the action void ab initio and a gross abuse of authority.

4. She further submitted that the explanation for the disputed sum being traced to the petitioner's account is that a customer forming a remote part of a transactional chain of alleged fraudulent funds may have made a legitimate purchase at one of the petitioner's outlets. On 05.08.2025, a detailed request was sent to the 3rd respondent Bank to provide list of complainants, in relation to petitioner's bank account along with total fraudulent transaction amount and disputed amount. Despite multiple reminders, the 3rd respondent Bank failed to provide requested datas so far. By freezing account, the respondents paralysed the petitioner's operations. <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) In support of her submissions, the learned counsel for the petitioner relied on the following decisions.

□ In Arun v. The Additional Director General of Police, Cyber Crime Wing, No.3 Dr.Natesan Road, Police Training College Campus, 3rd Floor, Cyber Crime Wing, Ashok Nagar, Chennai 600 083 and others in W.P.No.9295 of 2025 dated 15.04.2025, this Court had held that in the absence of any formal charges or material evidence linking the petitioner to the alleged fraud, freezing of account is not supported by law and is disproportionate to the ongoing investigation and directed defreezing of account. □ In Neelkanth Pharma Logistics Private Limited v. Union of India & Anr., in W.P.(C) 17905/2024 & CM APPL.2640/2025, the Delhi High Court finding that freezing of accounts by the Bank at the instance of Investigating Agency frequently and finding there is no proper system in place, had directed the Ministry of Home Affairs, Government of India to take proactive steps to address the issue consulting all concerned stakeholders, including respective States/Union Territories and chalk-out a uniform policy, standard operating procedures and guidelines to ensure that such matters are handled with requisite consideration and compassion and also held that the aim should be to balance the rights of a complainant in any such criminal investigation vis-a-vis the right of innocent and unwary account-holder, made to face unwarranted hardship on <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) account of blanket freezing of account, despite being completely innocent and unaware of commission of any crime.

□ In Mohammed Saifullah v. Reserve Bank of India, Rep. by its Governor, Head Office at 16th Floor, Central Office Building, Shahid Bhagat Singh Road, Mumbai 400 001, this Court referring to the circular issued by the Commissioner of Police in C.No.131/COP, GCP/Camp/2021, dated 24.06.2021 wherein guidelines have been issued to Investigating Officers to follow the procedure as per the circular in cases of freezing of accounts, had permitted the petitioner therein to operate his account subject to certain conditions.

5. The learned Additional Public Prosecutor appearing for the respondents 1 and 2 filed status report and submitted that one Manimurugan lodged a complaint via reference number C.No.37/CCB/COP/V/25 dated 10.01.2025 and also lodged complaint in NCRP (National Cybercrime Reporting Portal) with Acknowledgement Number 32901250002138 stating that he joined as a member in UBS Asset Management VIP exclusive group in WhatsApp for trading and invested Rs.1.48 Crores in the trading and did not receive any repayment instead he was asked to pay more money for various reasons. Thereafter, the complainant realised that he was cheated, <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) hence, lodged the complaint to take necessary action and requested to retrieve the money. During preliminary investigation based on NCRP acknowledgement number 32901250002138, it revealed that the

complainant transferred Rs.2,00,000/-, Rs.4,00,000/- and Rs.16,00,000/- in total Rs.22,00,000/-) to IDFC Bank Account Number 10197331056 (Layer

1). Further, from that account, the alleged money of Rs.9,00,000/- was transferred to ICICI bank account number 004105501868 (Layer 2). Further, from that account, the alleged money of Rs.48,760/- was transferred to Punjab National bank account number 6446000100078958 (Layer 3). Further, from that account the alleged money of Rs.4,194/- was transferred to petitioner's HDFC Bank account number 57500000166114 (Layer 4). Based on NCRP acknowledgement, "debit freeze" request was sent to all banks to freeze the fraudster accounts. On 06.05.2025, "debit freeze" request was sent to HDFC bank to freeze the petitioner's HDFC bank account number 57500000166114. On verifying with NCRP portal for the petitioner's HDFC bank account number 57500000166114, it was ascertained that this account involved so far in 172 NCRP complaints across various states in India. Hence, on 05.08.2025, a detail request was sent to HDFC bank to provide list of complaint lodged in the petitioner's HDFC <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) bank account along with total fraudulent transaction amount and disputed amount. Despite multiple reminders, HDFC bank did not provide the requested data so far.

6. He further submitted that the petitioner's HDFC bank account number 57500000166114 transaction details were verified from NCRP portal. It was ascertained that the petitioner's HDFC bank account number 57500000166114 was involved in 172 NCRP complaints across various states in India with the total fraudulent transaction amount of Rs.8,37,969/- in which the total disputed fraudulent amount is Rs.3,03,998/- in multiple layers as per the NCRP portal.

7. The learned counsel for the 3rd respondent Bank filed counter and submitted that the 3rd respondent has no role in initiating or adjudicating the freeze on the subject bank account of the petitioner and only acted in strict compliance based on the instructions issued by the 2nd respondent/Investigating Officer, Cyber Crime Police Station, Central Crime Branch, Chennai in connection with C.No.37/CCB/COP/Visitors/2025 and NCRP.No.32901250002138. The 3rd <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) respondent Bank being a regulated entity, are bound by the Banking Regulations Act, 1949, the Reserve Bank of India Act, 1934 and statutory directives from law enforcing agencies. He further submitted that subject account of the petitioner is an Overdraft account opened on 22.03.2018 at the DLF Phase-I, Gurgaon Branch. The account is classified as loan account. As on 07.10.2025, an overdraft limit of Rs.75,00,00,000/-, the account reflected a net usable credit balance of Rs.75,51,48,349.25/-. Pursuant to the instructions of the Ministry of Home Affairs/Cybercrime Cell dated 19.02.2024 wherein it was informed as many as 163 complaints linked to petitioner's account. Accordingly, lien markings and hold entries of Rs.30,447.96/- were placed between 01.07.2024 and 17.08.2025 against LEA/MHA notices, strictly on the basis of Police and MHA cybercrime directions. The bank has duly reported and shared all such details with the Investigating Authorities as per law. As per NCRP.No.32901250002138 from the 2nd respondent, there are other complaints against the petitioner's account. Scanned reproduction of the same are as follows:

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8.He further submitted that added to it, the 2nd respondent vide communication dated 06.05.2025 informed the 3rd respondent Bank to “debit freeze” the account number of the petitioner. The 3rd respondent Bank had put “debit freeze” of the petitioner's account based on the complaint from the 2nd respondent and other Law Enforcement Agency (from various State Police) in the National Cybercrime Reporting Portal (NCRP) and the 3rd respondent Bank has no role in prolonging the freeze. He further submitted that the Bank is operating for the benefit of customers and willing to make the account of the petitioner operational for easy business transaction, but for the directions and instructions from the statutory authorities, the freezing of account was made. By keeping a lien over the disputed amount, the account can be made operational. The 3rd respondent Bank is ready to abide by any direction of this Court.

9.In support of his submissions, the learned counsel for the 3rd respondent Bank relied on the decisions of this Court (1.M/s.Shriram Life Insurance Company Limited v. The State and Anr. in Crl.O.P.No.10569 of 2021 dated 18.06.2021, 2.Mohammed Saifullah v. Reserve Bank of India reported in 2024 SCC OnLine Mad 5604, 3.B.Kalyan v. The State and <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) others in W.P.No.7993 of 2025 dated 20.06.2025 and 4.B.Seenivasan v. National Cyber Crime Central and others in W.P.No.24931 of 2025 dated 07.08.2025) for the point that earlier this Court on similar situations had given direction to the Commissioner of Police, Chennai to issue appropriate orders so that the Investigating Agency not to issue blanket order freezing of account without giving information to the account holder and freezing of the account can be limited to the disputed amount. Following the same, the Commissioner of Police issued circular in C.No.131/COP, GCP/Camp/2021 dated 24.06.2021 which was recorded in approval in Mohammed Saifullah case (cited supra). This Court in the case of B.Seenivasan case (cited supra) had taken note of the directions given by the Delhi High Court to the Ministry of Home Affairs in Neelkanth Pharma Logistics Pvt. Ltd., v. Union of India and another reported in 2025 SCC Del 1055, had permitted the petitioner therein to operate the bank account.

10.Further, he placed reliance on the decision of the Hon'ble Apex Court in Shento Varghese v. Julfikar Husen and others reported in (2024) 7 SCC 23 wherein the Hon'ble Apex Court analysed the provisions under Section 102(3) Cr.P.C comparatively with the provisions under 1882 Code, <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) 1898 Code, 1973 Code and 2023 BNSS and upheld the powers of the Investigating Officer can issue prohibitory orders in case of freezing of bank accounts but with certain procedural guidelines.

11.In reply, the learned counsel for the petitioner submitted that the 2nd respondent now filed a statement showing that the petitioner's account appears in 172 NCRP complaints across India. This

vague and unverified statements is deeply irresponsible. The NCRP is merely a digital repository that lists “matching accounts” algorithmically. The inclusion of an account number in that database does not constitute evidence of criminal involvement. Such blind reliance on automated data without even a preliminary verification or cross-reference with banking statements, is complete non-application of mind. The petitioner's company is a publicly listed company, cannot be equated to unknown individual account holders or mule accounts often associated with cyber frauds. The learned counsel further replied that the 3rd respondent Bank admits that the petitioner's account is an overdraft current account with a sanctioned limit of Rs.75 Crores and that only Rs.30,447.96/- was earmarked as lien but the entire account was nonetheless placed under a No Debit status reveals an <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) internally inconsistent and irrational action. The 3rd respondent further claims that 163 complaints linked to the petitioner's account is nothing more than repetition of the 2nd respondent's unverified figures. There is no independent record annexed, no remittance trail, no forensic confirmation and nothing that establishes any criminal nexus. Added to it, this information was never conveyed to the petitioner prior to freeze or immediately after freezing of the account. Mere incidental or indirect inflow of any disputed amount into the petitioner's account arising from legitimate retail activity, cannot in law be construed as evidence as criminal complicity or mens rea and no way justify the arbitrary imposition of a blanket freeze on the petitioner's operational account.

12. On hearing the rival submissions and on perusal of the materials, it is seen that the petitioner is a publicly listed company who is having transaction in Account No.5750000016614 maintained in the 3rd respondent Bank. This account is a non-operational account used solely for inward remittances from retail customer and it is not used for thirty party transactions or disbursements. The petitioner company cannot be equated to an unknown individual account holders or mule accounts often associated <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) with cyber frauds. The petitioner's account is an Overdraft current account with a sanctioned limit of Rs.75 Crores which is the admitted position. In this case, the 3rd respondent Bank on instructions from the 2nd respondent on 06.05.2025 imposed a complete “debit freeze” on the petitioner's bank account, thereby putting spokes in the financial cycle of the petitioner's company and bringing its business activities to a grinding halt. The petitioner's company projected its plans and business and obtained Overdraft facility for his business activities. The petitioner has an obligation to repay the Overdraft amount, apart from paying its vendors and other business exigencies, all depends upon the financial cycle, all activities interconnected, by freezing the bank account, the business projection will get collapsed.

13. It is seen that in this case, the 2nd respondent prior to issuance of direction to the 3rd respondent to freeze the petitioner's bank account, not followed the instructions given by the Commissioner of Police, Vepery, Chennai in C.No.131/COP, GCP/Camp/2021 dated 24.06.2021. Scanned reproduction of the same is as follows:

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14.Previously, this Court reminded the Investigating Agency of the State to follow the above said circular including the 2nd respondent to follow the guidelines but this is not followed, which it cannot be taken lightly since it amounts to neglecting the duty and disrespecting the orders of the Superior Officers.

15.The Investigating Agency in a cybercrime case required to act with alacrity to safeguard the funds being eroded/siphoned out by cyber criminals in lightening speed. No doubt, that does not absolve the Investigating Agency to neglect and disregard the instructions given. No doubt, in cases of exigency, immediately freezing or putting hold of any bank account can be done and this should be followed by a notice to the concerned person, thereafter, a decision should be taken if justified to continue with the freezing of account but of course after giving proper notice, hearing the objections of the account holder and informing the nature of the doubtful transaction, all to be done without deviation.

16.In this case, as stated above, the petitioner is a publicly limited company doing retail business having branches all over India. The reason <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) for receiving a complaint and finding other complaints registered in NCRP would no way justify the act of the 2nd respondent. The 3rd respondent only acted on instructions of the 2nd respondent, hence, it is the 2nd respondent who is responsible to analyse the account and thereafter if required to place lien over the doubted transaction and not a blanket lien and freezing of account of the petitioner's company. The petitioner is unable to operate his account and deal with the money lying in his account. As on date, the admitted position is that a lien has to be placed over the amount of Rs.3,03,998/-.

17.In view of the above, order freezing the entire account without quantifying the amount and period cannot be passed. Such order will be construed as violation of the fundamental rights of trade and business as well as violation of livelihood.

18.This Court directs the 3rd respondent Bank to defreeze the bank account of the petitioner in A/c.No.5750000016614 and keep a lien over a sum of Rs.3,03,998/-. The petitioner herein is permitted to operate his account subject to the condition that he shall ensure the account shall <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm) always have a minimum of Rs.3,03,998/-.

19.It is made clear that as and when a doubtful transaction is detected or received, which needs further probe, a lien can be placed to that amount alone and not a blanket freezing of account can be issued.

20.In the result, this Writ Petition is allowed. Consequently, connected miscellaneous petition is closed. No costs.

03.11.2025 Index: Yes/No Speaking Order/Non-Speaking Order Neutral Citation: Yes/No vv2 To

- 1.The Nodal Cyber Cell Officer of Tamil Nadu, National Cybercrime Reporting Portal, Ministry of Home Affairs, Government of India, New-Delhi, Pin-110037.
- 2.The Inspector of Police, DELTA-4, Cyber Crime Branch Station, Central Crime Branch, Vepery, Chennai, Tamil Nadu.
- 3.The Public Prosecutor, Madras High Court.

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vv2 03.11.2025 <https://www.mhc.tn.gov.in/judis> (Uploaded on: 04/11/2025 10:03:57 pm)