IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR. JUSTICE M.A.ABDUL HAKHIM

TUESDAY, THE 14TH DAY OF JULY 2026 / 23RD ASHADHA, 1948

WP(C) NO. 48300 OF 2025

PETITIONER:

MR. AJITH P.R
AGED 26 YEARS
S/O.RAMESAN, PUTHUPPARAMBIL HOUSE, MULLANKOLLY P.O., WAYANAD DISTRICT, KERALA, PIN - 673579

BY ADV SMT.BEENA V.

RESPONDENTS:

1 THE UNION OF INDIA
REPRESENTED BY ITS SECRETARY, MINISTRY OF HOME AFFAIRS, NEW DELHI, PIN - 110001

2 THE STATE OF KERALA
REPRESENTED BY THE SECRETARY, HOME DEPARTMENT, GOVERNMENT SECRETARIAT, THIRUVANANTHAPURAM, PIN - 695001

3 INDIAN CYBER CRIME COORDINATION CENTER
REPRESENTED BY ITS CEO,5 TH FLOOR, NDCC-II BUILDING ,JAI SINGH ROAD , NEW -DELHI, PIN - 110001

4 THE SUPERINTENDENT OF POLICE (CYBER CRIME)
HARYANA, AMIT DAHIYA, IPS, OFFICE OF THE SUPERINTENDENT OF POLICE (CYBER CELL), HARYANA STATE, PIN - 122009

5 THE BRANCH MANAGER
FEDERAL BANK, KALOOR, ERNAKULAM. KERALA STATE, PIN - 682017

ADDL.R6 STATION HOUSE OFFICER
SADARCOLONY ,BABAL ROAD , REWARI , HARYANA - 123401 (ADDL.R.6 IS IMPLEADED AS ADDL.6TH RESPONDENT AS PER ORDER DATED 13/02/2026 IN IA 1/2026)

ADDL.R7 The STATION HOUSE OFFICER, ERNAKULAM TOWN NORTH POLICE STATION, ERNAKULAM,PIN 682018 (ADDL.R7 IS SUO MOTU

IMPLEADED VIDE JUDGMENT DATED 14.07.2026 IN WPC NO. 48300/2025)

BY ADV SMT.V.GEETHA POTTI, CGC
ADV.SMT. O M SHALINA, DSGI
ADV.SRI MOHAN JACOB GEORGE, SC

OTHER PRESENT:

ADV. SUJAN K.A. (G.P.)

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR ADMISSION ON 14.07.2026, THE COURT ON THE SAME DAY DELIVERED THE FOLLOWING:

JUDGMENT **CR**

Dated this the 14th day of July, 2026

1. The Petitioner has filed this Writ Petition seeking a direction to unfreeze his account maintained with the Respondent No.5/Bank.

2. The learned Standing Counsel for the Respondent No.5/Bank, after getting instructions, submitted that the operation of the account of the Petitioner is prevented on account of the suspicion on the part of the Bank with respect to the operation of the account and that it is a money mule account.

3. There is no representation for the Petitioner. On the last posting also, there was no representation for the Petitioner. This Court is not inclined to dismiss the Writ Petition for default since this Court has reason to believe that the Petitioner has been purposefully absent to cause dismissal of the case to avoid any Order against him, on account of the adverse Report against him.

4. This Court in ***Abdul Azeez v. Union of India [2025 KLT OnLine 3447]*** considered the question of whether the Bank has the right or authority to freeze the accounts of its account holders on the basis of its own suspicion with respect to the transactions in the account in the absence of any requisition to do so from a law enforcement agency. This Court held that till the time the RBI comes forward with a Standard Operating Procedure for the Banks to deal with suspicious accounts, the following guidelines are to be followed when the Bank entertains suspicion about the operation of the account:

1. If the Bank is having reason to believe suspicious transactions in the account, the Bank is free to effect a debit freeze of the account without notice to the Account Holder.

2. The Bank shall intimate the freezing of the Account to the Account Holder by sending a Communication with reasons for suspicion by SMS and Registered post on the date of freezing itself.

3. The Bank shall send a Communication detailing the freezing of the account with reasons for suspicion to the jurisdictional Cyber Crime Police Authority and all the authorities required under the Guidelines issued by the RBI and ensure its receipt by them.

4. The Account Holder is free to submit a necessary Explanation to the Bank regarding the suspicion entertained by the Bank, and on receipt of such an Explanation, the appropriate authority of the Bank shall consider the same and pass appropriate orders within a period of one week from the date of receipt of the Explanation and communicate the same to the Account Holder. If the Bank is satisfied with the Explanation submitted by the Account Holder, the Bank is to de-freeze the account.

5. If no Explanation is received from the Account Holder or the Explanation submitted by the Account Holder is not satisfactory to the Bank, the Bank can continue with the freezing of the account for a period of three months from the last date of delivery of the communication of freezing to the aforesaid authorities mentioned in Point No.3.

6. If the Bank receives any instruction/order from any of the aforesaid authorities mentioned in Point No.3, the Bank has to comply with it and communicate the same to the Account Holder without delay.

7. If no communication is received within a period of three months from the last date of delivery of the communication of freezing to the aforesaid authorities mentioned in Point No.3, the Bank shall lift the freezing of the account, allowing the Account Holder to deal with the credit balance and intimate the same to the Account Holder and thereafter the Bank may either permit the operation of the account or demand closure of the account.

8. If the Account Holder has a grievance that the Bank has illegally rejected the Explanation submitted by him, the Account Holder is free to challenge the same in accordance with law.

5. The Indian Cyber Crime Co-ordination Centre (I4C) formulated an ***SOP for NCRP - CFCFRMS, Custody, Restoration of Money and Grievance Redressal 2026*** to establish a fair and transparent system that prescribes a uniform process to be followed by all

the Participating Entities in the matter of freezing of accounts. The said SOP does not deal with the prevention of operation of the Account by the Bank without any requisition from any Police Authority, and hence this Court used to dispose of Writ Petitions by directing the Banks to follow the guidelines in ***Abdul Azeez (supra)*** when the Bank prevented the operation of the account on its own suspicion, without any requisition from any authority.

6. This Court in ***Sinana Farvin v. Kerala Gramin Bank and Others [2026:KER:50777]*** observed that there must be an effective deterrent against persons approaching this Court seeking direction to unfreeze Bank Accounts that have been used as a money mule; that while dismissing such Writ Petitions, it is for this Court to consider whether a direction is to be issued to the Police to register an FIR and investigate the involvement of the Petitioner and his/her associates in the commission of financial cybercrime; that ‘cybercrimes’ fall within the definition of

‘organised crime’ under Section 111 of the Bharatiya Nyaya Sanhita, 2023, and constitute a cognizable offence; and that it is for the Police to investigate the commission of the said offence by the Petitioner and to ascertain the involvement of any other persons acting in concert with, or operating through, the Petitioner. In the said case, this Court found that the facts prima facie reveal that the Petitioner has opened the Bank Account solely for the purpose of facilitating cyber fraud and hence dismissed the Writ Petition, but directing the Police to register an FIR against the Petitioner under Section 111 of the Bharatiya Nyaya Sanhita, 2023, and investigate.

7. The Banks are the best persons to identify the mule accounts. When the Banks report to this Court that the subject account is a mule account, this Court has to give due weight to the same. In several cases, it is reported that on account of the Guidelines in ***Abdul Azeez (supra)***, the Banks were compelled to permit the operation of the accounts on completion of three

months from the date of intimation to the Police Authorities since the Police Authorities do not respond within that time. In such case, the mule account holders continue their money mule activities, misusing the Guidelines in ***Abdul Azeez (supra)***. In light of the decision in ***Sinana Farvin (supra)***, the Police have to register FIR against the Mule Account Holders under Section 111 BNS and investigate and prevent the operation of the Account pending investigation and subject to the outcome of the investigation. Hence, the Guidelines in ***Abdul Azeez (supra)*** are to be revised as follows:

1. If the Bank has reason to believe that the transactions in the account are suspicious, the Bank is free to effect a debit freeze of the account without notice to the Account Holder.

2. The Bank shall intimate the freezing of the Account to the Account Holder by sending a Communication through SMS/Email on the date of freezing itself. Additionally, the Bank shall communicate the freezing of the Account to the Account Holder

with reasons for suspicion by Registered post within three working days from the date of freezing.

3. The Account Holder is free to submit necessary Explanation to the Bank regarding the suspicion entertained by the Bank within one month from the date of receipt of communication from the Bank, and on receipt of such an Explanation, the appropriate authority of the Bank shall consider the same and pass appropriate orders within a period of one week from the date of receipt of the Explanation and communicate the same to the Account Holder. If the Bank is satisfied with the Explanation submitted by the Account Holder, the Bank is to unfreeze the account.

4. If no Explanation is received from the Account Holder within one month or the Explanation submitted by the Account Holder is not satisfactory to the Bank, the Bank shall submit a Written Complaint to the SHO of the local Police Station of the Bank with copy to the Account Holder, as early as possible.

5. The SHO of the local Police Station of the Bank shall register FIR against the Account Holder for offences, including the offence under Section 111 BNS, immediately on receipt of a Written Complaint from the Bank and investigate.

6. The Bank shall permit operation of the Account, according to the directions of the Police in case the Bank has submitted Complaint to the Police. If the Police direct to permit the operation of the account, the Bank may either permit operation of the account or demand closure of the account.

7. If the Account Holder has a grievance that the Bank has illegally rejected the Explanation submitted by him, the Account Holder is free to challenge the same in accordance with law.

8. Since the Respondent No.5/Bank is situated within the local limits of the Ernakulam Town North Police Station, the SHO, Ernakulam Town North Police Station, Ernakulam, is *suo motu* impleaded as the Additional Respondent No.7 in this Writ Petition.

9. Accordingly, this Writ Petition is disposed of, directing the Respondent No.5/Bank to communicate the reasons for suspicion/freezing of the account to the Petitioner within one week from the date of receipt of a certified copy of the judgment and to act in accordance with the above revised Guidelines. The Respondent No.7/SHO is directed to act in accordance with the above revised Guidelines, in case he receives a Written Complaint from the Respondent No.5/Bank.

Sd/-

M.A.ABDUL HAKHIM

JUDGE

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APPENDIX OF WP(C) NO. 48300 OF 2025

PETITIONER EXHIBITS

Exhibit P1	**A TRUE COPY OF THE SAID PHOTOGRAPH**
Exhibit P2	**A TRUE COPY OF THE RELEVANT PAGES OF THE PASSBOOK**
Exhibit P3	**A TRUE COPY OF THE EMAIL**