(2026) 01 UK CK 1829

In the Uttarakhand High Court

Case No : Criminal Revision No. 415 Of 2024

Gurjeet Singh APPELLANT

Vs

State Of Uttarakhand RESPONDENT

Date of Decision : 03-01-2026

Acts Referred:

Indian Penal Code, 1860 — Section 120B, 167, 409, 420, 465, 466, 467, 468, 471, 474
Prevention Of Corruption Act, 1988 — Section 13(1)(d)
Uttar Pradesh Zamindari Abolition And Land Reforms Act, 1951 — Section 143
Code Of Criminal Procedure, 1973 — Section 102, 102(3), 397, 401, 451, 457
Constitution Of India, 1950 — Article 21

Citation : (2026) 01 UK CK 1829

Hon'ble Judges : Ashish Naithani, J

Bench : Single Bench

Advocate : Harshit Sanwal, Bhaskar Ch. Joshi

Final Decision : Allowed

Judgement

Ashish Naithani, J

1. The present criminal revision arises out of FIR No. 32 of 2017 registered at Police Station Pantnagar, District Udham Singh Nagar, under Sections 167, 409, 420, 465, 466, 467, 468, 471, 474 and 120-B IPC and Section 13(1)(d) of the Prevention of Corruption Act, 1988.

2. The allegations in the FIR are primarily directed against certain landowners and public officials, including revenue authorities and officers connected with land acquisition, alleging that agricultural land was falsely shown as non-agricultural by procuring back-dated orders under Section 143 of the U.P. Zamindari Abolition and Land Reforms Act, resulting in payment of excessive compensation.

3. The Revisionist, Gurjeet Singh, is the son of one of the landowners, namely Jarnail Singh. It is not disputed that the Revisionist is not named as an accused in the FIR and has not been charge-sheeted in the said case. Several charge-

sheets have, however, been filed from time to time against other accused persons.

4. During the course of investigation, the Investigating Officer issued a communication dated 12.07.2018 to the State Bank of India, Gadarpur Branch, requesting freezing of bank account No. 11233606345, maintained in the name of the Revisionist. The stated basis for such freezing was that the compensation amount allegedly disbursed to the landowner was deposited in the said account.

5. Pursuant to the said communication, the bank account of the Revisionist was frozen in the year 2018. The account has continued to remain frozen since then, thereby restraining the Revisionist from operating the account for several years.

6. The Revisionist asserts that the bank account has no nexus with the alleged offence and that the freezing was carried out without following the mandatory requirement under sub-section (3) of Section 102 CrPC, namely, reporting of seizure of property to the concerned Magistrate forthwith.

7. After completion of the investigation and filing of charge-sheets against other accused, the Revisionist moved an application under Sections 451, 457 and 102 CrPC before the court of the Special Judge (Prevention of Corruption Act) and Additional Sessions Judge, Haldwani, seeking unfreezing of his bank account. The said application was registered as Misc. Application No. 05 of 2024.

8. The Investigating Officer filed an objection/report to the said application, wherein it was not disputed that the freezing of the account had not been reported to the Magistrate. The objection proceeded on the premise that the amount deposited in the account represented proceeds of crime.

9. By order dated 22.04.2024, the learned Special Judge rejected the application for unfreezing, holding that since the compensation amount alleged to be illegally obtained was deposited in the account of the Revisionist, and as the trial was pending, it would not be in the interest of justice to defreeze the account.

10. Aggrieved by the said order, the Revisionist has preferred the present criminal revision under Sections 397 and 401 CrPC.

11. Learned counsel for the Revisionist assailed the impugned order with considerable emphasis and submitted that the order suffers from illegality, material irregularity and improper exercise of jurisdiction. It was contended that the learned court below failed to appreciate the limited scope and object of freezing of property under Section 102 CrPC.

12. Learned counsel for the Revisionist submitted that the Revisionist is not an accused in the FIR and has not been charge-sheeted despite a prolonged investigation. It was argued that freezing the bank account of a person who is not facing trial, and that too for an indefinite period, amounts to imposing a punitive restriction without adjudication.

13. It was contended that a bank account constitutes “property” within the

meaning of Section 102 CrPC and that freezing of such an account amounts to seizure. Learned counsel argued that sub-section (3) of Section 102 CrPC casts a mandatory duty upon the Investigating Officer to report the seizure forthwith to the jurisdictional Magistrate, so as to enable judicial scrutiny over the investigative action.

14. Emphasis was laid on the fact that in the present case, the Investigating Officer admittedly failed to report the freezing of the bank account to the Magistrate. Learned counsel submitted that such non-compliance with a mandatory statutory requirement vitiates the freezing itself and renders the continued restraint legally unsustainable.

15. Learned counsel for the Revisionist further submitted that the bank account has remained frozen since the year 2018, thereby depriving the Revisionist of access to his own funds for more than six years. It was argued that such prolonged freezing is grossly disproportionate, particularly when the investigation has substantially concluded, and the Revisionist has not been arrayed as an accused.

16. It was contended that the learned court below erred in proceeding on the assumption that the mere deposit of the compensation amount in the account of the Revisionist automatically renders the account liable to indefinite freezing. According to learned counsel, the prosecution has not demonstrated any adjudicatory finding declaring the compensation amount to be illegal or directing its recovery.

17. Learned counsel for the Revisionist further argued that the compensation award forming the basis of the prosecution case has not been set aside by any competent forum. In the absence of any such determination, mere suspicion or allegation cannot justify continued deprivation of property.

18. It was also submitted that the learned court below failed to consider the constitutional implications of prolonged freezing of a bank account, which directly impinges upon the right to livelihood under Article 21 and the right.

19. Per contra, learned counsel appearing for the State supported the impugned order and submitted that the freezing of the bank account constituted a legitimate investigative measure. It was argued that the funds lying in the said account are suspected to represent proceeds of crime, and that unfreezing the account at this stage may result in dissipation of the alleged amount.

20. Learned State counsel contended that the pendency of the trial arising out of FIR No. 32 of 2017 justifies continuation of the freezing order, as the prosecution's interest in securing the alleged proceeds of crime outweighs the inconvenience caused to the Revisionist.

21. It was further argued that the learned court below has exercised its discretion judiciously and that no interference is warranted in revisional jurisdiction.

22. Heard learned counsel for the Parties and perused the records.

22. At the threshold, it is necessary to note that the Revisionist is not an accused in FIR No. 32 of 2017 and has not been charge-sheeted despite the passage of several years and the filing of multiple charge-sheets against other accused persons. The State does not dispute this factual position. The continued freezing of the bank account of the Revisionist, therefore, operates against a person who is not facing trial and against whom no charge has been framed.

23. A bank account undoubtedly constitutes "property" within the meaning of Section 102 of the Code of Criminal Procedure. Freezing of a bank account, which effectively restrains the account holder from accessing or operating the account, amounts to seizure of property. Such a seizure is a serious intrusion into proprietary and economic rights and cannot be treated as a routine or innocuous investigative measure.

24. Section 102 CrPC confers power upon the police to seize property suspected to be connected with an offence. However, this power is not unbridled. Sub-section (3) of Section 102 mandates that every seizure of property shall be reported forthwith to the Magistrate having jurisdiction. The legislative intent behind this provision is clear, namely, to subject investigative seizure to immediate judicial oversight so as to prevent abuse of power and to protect individuals from arbitrary deprivation of property.

25. In the present case, the record unmistakably reveals that the Investigating Officer failed to report the freezing of the bank account of the Revisionist to the jurisdictional Magistrate. This lapse has not been denied by the prosecution. The objection filed by the Investigating Officer before the court below also does not assert compliance with Section 102(3) CrPC. Such non-compliance cannot be brushed aside as a mere procedural irregularity.

26. The learned court below, while rejecting the application for unfreezing, has completely overlooked the legal consequence of non-compliance with Section 102(3) CrPC. The impugned order proceeds as though the mere allegation that the amount deposited in the account represents proceeds of crime is sufficient to sustain indefinite freezing, irrespective of statutory safeguards. This approach, in the considered opinion of this Court, reflects a failure to exercise jurisdiction in accordance with settled principles of law.

27. The object of freezing of property during investigation is to preserve alleged proceeds of crime and to prevent their dissipation pending adjudication. This object cannot be stretched to justify prolonged deprivation of property without adherence to statutory requirements and without periodic judicial scrutiny. Criminal investigation is not meant to operate as a substitute for punishment, nor can it be permitted to impose civil death upon property by executive fiat.

28. The freezing of the Revisionist's bank account has continued since the year 2018. For more than six years, the Revisionist has been deprived of access to his

own funds. Such prolonged restraint, particularly when the account holder is not an accused and when the investigation has substantially progressed, is manifestly disproportionate. Proportionality is an inherent facet of fairness in the criminal process and must inform the exercise of investigative powers.

29. The learned court below has proceeded on the premise that since the compensation amount was deposited in the account of the Revisionist, the account must remain frozen till the culmination of the trial. This reasoning conflates suspicion with adjudication. The compensation award forming the basis of the prosecution case has not been set aside by any competent forum. No final determination exists declaring the amount deposited in the account to be illegal or liable for recovery.

30. Mere pendency of a criminal trial cannot, by itself, justify indefinite freezing of property belonging to a person who is not facing trial. To accept such a proposition would be to confer upon the investigating agency an unchecked power to restrain property for years, without trial, without conviction, and without judicial oversight, a result wholly incompatible with the rule of law.

31. The contention of the State that unfreezing of the account may result in dissipation of alleged proceeds of crime is not without relevance. However, such concern cannot override statutory mandates and constitutional protections. The law provides mechanisms to secure alleged proceeds of crime through conditional orders, security, or other safeguards. An all-or-nothing approach is neither required nor justified.

32. This Court is conscious of the need to balance the interests of the prosecution with the rights of individuals. Such a balance can be achieved by permitting unfreezing of the bank account, subject to appropriate conditions to secure the alleged amount. The Revisionist has expressly undertaken to abide by any reasonable condition, including furnishing security, to protect the interest of the prosecution.

33. In the considered view of this Court, the impugned order dated 22.04.2024 suffers from material irregularity, ignores mandatory statutory provisions, and results in manifest injustice. The learned court below has failed to exercise jurisdiction vested in it properly and has, therefore, committed an error warranting interference in revisional jurisdiction.

34. This Court is, accordingly, satisfied that the continuation of freezing of the bank account of the Revisionist, in the facts and circumstances of the present case, is legally unsustainable and that the impugned order cannot be allowed to stand.

ORDER

The criminal revision is allowed.

The order dated 22.04.2024 passed by the learned Special Judge (Prevention of

Corruption Act) and Additional Sessions Judge, Haldwani, District Nainital, in Misc. Application No. 05 of 2024, is hereby set aside.

The bank account bearing No. 11233606345, maintained with the State Bank of India, Gadarpur Branch, in the name of the Revisionist, shall be unfrozen forthwith, subject to the following conditions:

(i) The Revisionist shall furnish adequate security, to the satisfaction of the trial court, equivalent to the amount alleged by the prosecution to be connected with FIR No. 32 of 2017.

(ii) The Revisionist shall not alienate, withdraw, or otherwise deal with the secured amount except in accordance with the terms permitted by the trial court.

The court concerned shall ensure expeditious compliance of this order.

