

**Court No. - 29**

**Case :-** WRIT - C No. - 28679 of 2024

**Petitioner :-** Proview Constructions Limited

**Respondent :-** Union Of India And 3 Others

**Counsel for Petitioner :-** Anil Kumar Mehrotra, Anuj Kumar, Srijan Mehrotra

**Counsel for Respondent :-** Sushant, A.S.G.I., Gaurav Dwivedi

**Hon'ble Ashwani Kumar Mishra, J.**

**Hon'ble Arun Kumar Singh Deshwal, J.**

1. Petitioner before this Court is a Company registered under the provisions of the Indian Companies Act, 1956. One Rajeev Kumar Arora is its Authorized Signatory and Director. He (Rajeev Kumar Arora) has an ongoing matrimonial dispute with respondent no. 3, who claims herself to be his wife. A first information report is also lodged by third respondent, against Rajeev Kumar Arora, being Case Crime No. 476 of 2023, Police Station Link Road, Trans Hindon Commissionerate, Ghaziabad pursuant to a direction issued by the concerned Magistrate, under Section 156(3) Cr.P.C.

2. On account of matrimonial dispute, third respondent made an application to the respondent No. 2 Kotak Mahindra Bank (hereinafter referred to as the "Bank") for freezing the current account of the petitioner company, maintained in its Ghaziabad Branch, till the pending matrimonial dispute is resolved. Respondent No. 3 admittedly has a share of 0.75% in the petitioner Company; whereas shareholding of Rajeev Kumar Arora is 41.15% in the Company.

3. The Bank has acted upon the representation of third respondent and has frozen petitioner's bank account no. 3649007591, vide its order dated 28.5.2024. By this

communication the petitioner has been advised by the Bank to get their internal dispute resolved. Reliance is placed upon the lodging of the FIR against Rajeev Kumar Arora as well as the request of third respondent for its action. Third respondent has also instituted other proceedings against Rajeev Kumar Arora including filing of a Original Suit before the Civil Court to restrain the bank from defreezing the Bank Account of the petitioner company. In this suit, however, no injunction has been granted and only notices are issued in the matter.

4. It is at this stage that the petitioner is before this Court for a direction to the respondent Bank to defreeze its bank account and to allow it to operate its Bank Account. Prayer is also made to quash the communication issued by the respondent Bank, contained in Annexure 1, dated 28.5.2024. This communication of the respondent Bank acknowledges that a sum of Rs. 10,57,00000/- is lying in the Current Account of the petitioner company but in view of the request made by third respondent as also the lodging of the FIR, the withdrawal of amount is not being processed.

5. At the outset, Sri Anil Kumar Mehrotra, Advocate assisted by Sri Srijan Mehrotra appearing for the petitioner submits that there is neither any order passed by the competent court directing the respondent bank to freeze bank account of the petitioner company, nor there is any direction issued by the Investigating Officer of the criminal case, for freezing petitioner's bank account. No action against petitioner Company is taken by any competent authority for such purposes, either. It is, therefore, submitted that unilateral act on part of the respondent bank in denying withdrawal of amount from the Current Account of the petitioner company is wholly arbitrary and is not referable to any provision of law. It is urged that the

right of petitioner Company to run its business is infringed. The petitioner also asserts that holding its money in the bank account of respondent bank amounts to property, and its deprivation without an authority of law violates the constitutional rights of petitioner's authorized signatory under Article 300-A of the Constitution of India. Sri Mehrotra also submits that essential functions of petitioner Company and its sister concerns are virtually crippled as the petitioner is not able to carry out its financial obligations including payment of salary to its employees, etc. Submission is that unless this Court intervenes and protects the rights of the petitioner and its Director's, shareholders and employees, the petitioner company itself may collapse.

6. When the matter is taken up, learned counsel representing the second respondent Bank, Sri Sushant Chandra, raises an objection to the maintainability of the writ petition on the ground that respondent Kotak Mahindra Bank is a private bank and in discharge of its banking operations it is not performing any public duty. It is submitted that the Bank although is a Scheduled Bank, yet the decision at its level to freeze the Bank Account on the request of third respondent is a bona-fide exercise of jurisdiction by the Bank which merits no interference by this Court in exercise of its extraordinary jurisdiction.

7. Sri Mohd. Areeb Masood holding brief of Sri Gaurav Dwivedi, learned counsel appearing for the respondent no. 3, has substantially adopted the stand taken by the respondent Bank. He places reliance upon the recent judgment of the Supreme Court in S. Shobha Vs. Muthoot Finance Ltd., 2025 INSC 117, decided on 24<sup>th</sup> January, 2025, to urge that the writ petition would not be maintainable for the relief claimed by the

petitioner. Reliance is also placed upon the judgment of the Supreme Court in the case of Federal Bank Ltd. Vs. Sagar Thomas and others, (2003) 10 SCC 733.

8. We have heard learned counsel for the parties and perused the materials on record. The judgments relied upon on behalf of the respective parties shall be referred to, later, while considering the respective submissions of the parties.

9. Before the Court proceeds to examine the petitioner's prayer in the writ petition, it would be necessary to examine the nature and character of the respondent bank as also the obligation imposed upon it to allow its depositor to withdraw its amount from the Bank. As a necessary corollary it has to be seen as to whether the respondent bank, being a private entity, has the right to refuse withdrawal of amount by the depositor only because the Director of the account holder company is facing a matrimonial dispute with his wife?

10. Banking operations in the country are governed by the provisions of the Reserve Bank of India Act, 1934 (hereinafter referred to as 'the Act of 1934') as well as the Banking Regulation Act, 1949 (hereinafter referred to as 'the Act of 1949'). The Act of 1934, has been promulgated with the intent to constitute a Reserve Bank of India for the purposes of regulating the issue of bank notes and keeping of reserves with a view to securing monetary stability in India. Section 2 of the Act of 1934 contains the definition clause. Our attention has been invited by Sri Mehrotra to Section 2(e) of the Act, which defines a scheduled bank in following terms:-

*"(e) "scheduled bank" means a bank included in the Second Schedule;"*

11. It is admitted between the parties that the respondent

bank is a Scheduled Bank. The scheduled banks are regulated by the Act of 1949. Section 5 of the Act of 1949 contains interpretation clause. It would be relevant to refer to sub-section (b) & (ca) of Section 5, which reads as under:-

*"(b) "banking" means the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise;*

*(ca) "banking policy" means any policy which is specified from time to time by the Reserve Bank in the interest of the banking system or in the interest of monetary stability or sound economic growth, having due regard to the interests of the depositors, the volume of deposits and other resources of the bank and the need for equitable allocation and the efficient use of these deposits and resources."*

12. Section 5A of the Act of 1949, provides for an overriding effect to the provisions of the Act. Section 22 of the Act of 1949 contains an embargo that no company shall carry on banking business in India unless it holds a licence issued in that behalf by the Reserve Bank of India subject to such conditions as are imposed by the Reserve Bank of India. Sub-section (3) of Section 22, provides that before granting any licence the Reserve Bank may require it to be satisfied by an inspection of the books of the company or otherwise that conditions specified therein are made. Some of such conditions as are specified in sub-section (3) are reproduced hereinafter:—

*"(a) that the company is or will be in a position to pay its present or future depositors in full as their claims accrue;*

*(e) that the public interest will be served by the grant of a licence to the company to carry on banking business in India;*

*(g) any other condition, the fulfillment of which would, in the opinion of the Reserve Bank, be necessary to ensure that the carrying on of banking business in India by the company will not be prejudicial to the public interest or the interests of the depositors."*

13. Our attention has been invited to Section 36AD of the Act of 1949, providing for punishment for certain activities in relation to banking companies. Sub-section (1) of Section 36AD, is reproduced hereinafter:-

*"(1) No person shall— (a) obstruct any person from lawfully entering or leaving any office or place of business of a banking company or from carrying on any business there, or*

*(b) hold, within the office or place of business of any banking company, any demonstration which is violent or which prevents, or is calculated to prevent, the transaction of normal business by the banking company, or*

*(c) act in any manner calculated to undermine the confidence of the depositors in the banking company."*

14. Broad framework for regulation of a scheduled bank, which is privately managed, as are noticed above are not in issue. The respondent bank, however, claims absolute immunity in running of the bank and asserts right to deny permission to withdraw the amount even in the absence of any authorization by a competent authority or the court. The bank, for such purposes, relies upon the terms and conditions to which the account holder has undertaken to comply. The clause dealing with Account Closure/Service Discontinued is relied upon by the counsel for the Bank, which reads as under:-

*"Bank may at its absolute discretion, close any Account or terminate any of the services by giving such days notice to the Customer as it may deem fit with/without assigning any reason. Notwithstanding the above, the Customer acknowledges and agrees that Bank may at any time without notice as the circumstances in the Bank's absolute discretion may require, discontinue/modify/cancel/terminate the services, if the Bank is of the opinion that continuation of services is prejudicial to Bank's interests. Bank shall not be made liable for any consequences arising out of such closure of Account or termination of Services.*

*Bank may its discretion, and without prejudice to the above and in addition thereto close the Account of a person having a Current, Saving or Overdraft Account if*

*such person's cheques valuing Rupees One Crore and above have been dishonoured on four or more occasions in a financial year for want of sufficient funds in that Account. Bank will however issue a notice to such person whose account it may close, after dishonour of the third cheque.*

*The Bank shall also be entitled to freeze operations in the account of a customer with or without notice, if the Bank suspects any fraud/mischief/im-personification etc., for such period as it may deemed fit until it has received full clarification sought from the customer and/or until it is convinced that operations in the account can be re-permitted. The customer shall provide all clarifications if any sought by the Bank and the Bank shall not be held responsible or liable for any losses, expenses, cost etc. suffered or incurred by the customer by reason of freezing of the account. The Bank pursuant to any notice received from any statutory authority including Income Tax/PF/Excise etc. is entitled to mark a freeze in the account/remitt the amount standing to the credit of the account(s) whether jointly or singly as the case may be to the concerned authority without any notice to the customer.*

*Customer may close his Account or discontinue availing of any Service at any time. Bank shall be entitled to refuse the closing of the Account till such time that all Charges payable by the Customer to the Bank have been paid in full. The Bank may notify the Customer the date on which his Account would be closed and the Service would be discontinued. Upon closure of any Account, the Services associated with such an Account would be automatically terminated. At the time of closing of the Account, the Customer shall return to the Bank and/or confirm destruction of all unused cheque leaves / Card / Demat instruction slip, as applicable, to the Bank."*

15. Learned counsel for the bank, therefore, submits that the bank being a privately managed scheduled bank has the absolute discretion to refuse withdrawal of amount once it comes to the conclusion that the affairs of the company are disputed and respondent no. 3 has made a request not to allow withdrawal of amount from the current account of the company. For such purposes learned counsel for the respondent Bank has heavily relied upon the judgment of the Supreme Court in the case of Federal Bank Ltd. (supra), wherein the issue relating to

maintainability of the writ petition against private bank fell for consideration before the Supreme Court. After noticing the statutory scheme, the Supreme Court observed as under:-

*"26. A company registered under the Companies Act for the purposes of carrying on any trade or business is a private enterprise to earn livelihood and to make profits out of such activities. Banking is also a kind of profession and a commercial activity, the primary motive behind it can well be said to earn returns and profits. Since time immemorial, such activities have been carried on by individuals generally. It is a private affair of the company though the case of nationalized banks stands on a different footing. There may well be companies, in which majority of the share capital may be contributed out of the State funds and in that view of the matter there may be more participation or dominant participation of the State in managing the affairs of the company. But in the present case we are concerned with a banking company which has its own resources to raise its funds without any contribution or shareholding by the State. It has its own Board of Directors elected by its shareholders. It works like any other private company in the banking business having no monopoly status at all. Any company carrying on banking business with a capital of five lakhs will become a scheduled bank. All the same, banking activity as a whole carried on by various banks undoubtedly has an impact and effect on the economy of the country in general. Money of the shareholders and the depositors is with such companies, carrying on banking activity. The banks finance the borrowers on any given rate of interest at a particular time. They advance loans as against securities. Therefore, it is obviously necessary to have regulatory check over such activities in the interest of the company itself, the shareholders, the depositors as well as to maintain the proper financial equilibrium of the national economy. The banking companies have not been set up for the purposes of building the economy of the State; on the other hand such private companies have been voluntarily established for their own purposes and interest but their activities are kept under check so that their activities may not go wayward and harm the economy in general. A private banking company with all freedom that it has, has to act in a manner that it may not be in conflict with or against the fiscal policies of the State and for such purposes, guidelines are provided by Reserve Bank so that a proper fiscal discipline, to conduct its affairs in carrying on its business, is maintained. So as to ensure adherence to such fiscal discipline, if need be, at times even the management of the company can be*



*taken over. Nonetheless, as observed earlier, these are all regulatory measures to keep a check and provide guidelines and not a participatory dominance or control over the affairs of the company. For other companies in general carrying on other business activities, maybe manufacturing, other industries or any business, such checks are provided under the provisions of the Companies Act, as indicated earlier. There also, the main consideration is that the company itself may not sink because of its own mismanagement or the interest of the shareholders or people generally may not be jeopardized for that reason. Besides taking care of such interest as indicated above, there is no other interest of the State, to control the affairs and management of the private companies. Care is taken in regard to the industries covered under the Industries (Development and Regulation) Act, 1951 that their production, which is important for the economy, may not go down, yet the business activity is carried on by such companies or corporations which only remains a private activity of the entrepreneurs/companies.*

*27. Such private companies would normally not be amenable to the writ jurisdiction under Article 226 of the Constitution. But in certain circumstances a writ may issue to such private bodies or persons as there may be statutes which need to be complied with by all concerned including the private companies. For example, there are certain legislations like the Industrial Disputes Act, the Minimum Wages Act, the Factories Act or for maintaining proper environment, say the Air (Prevention and Control of Pollution) Act, 1981 or the Water (Prevention and Control of Pollution) Act, 1974 etc. or statutes of the like nature which fasten certain duties and responsibilities statutorily upon such private bodies which they are bound to comply with. If they violate such a statutory provision a writ would certainly be issued for compliance with those provisions. For instance, if a private employer dispenses with the service of its employee in violation of the provisions contained under the Industrial Disputes Act, in innumerable cases the High Court interfered and has issued the writ to the private bodies and the companies in that regard. But the difficulty in issuing a writ may arise where there may not be any non-compliance with or violation of any statutory provision by the private body. In that event a writ may not be issued at all. Other remedies, as may be available, may have to be resorted to."*

16. The Court in Federal Bank Ltd. (supra) also observed as under in para 28 of the report, which is reproduced

hereinafter:-

*"28. The six factors which have been enumerated in the case of Ajay Hasia [Ajay Hasia v. Khalid Mujib Sehravardi, (1981) 1 SCC 722 : 1981 SCC (L&S) 258] and approved in the later decisions in the case of Ramana [Ramana Dayaram Shetty v. International Airport Authority of India, (1979) 3 SCC 489] and the seven-Judge Bench in the case of Pradeep Kumar Biswas [(2002) 5 SCC 111 : 2002 SCC (L&S) 633] may be applied to the facts of the present case and see whether those tests apply to the appellant Bank or not. As indicated earlier, share capital of the appellant Bank is not held at all by the Government nor is any financial assistance provided by the State, nothing to say which may meet almost the entire expenditure of the company. The third factor is also not answered since the appellant Bank does not enjoy any monopoly status nor can it be said to be an institution having State protection. So far as control over the affairs of the appellant Bank is concerned, they are managed by the Board of Directors elected by its shareholders. No governmental agency or officer is connected with the affairs of the appellant Bank nor is any one of them a member of the Board of Directors. In the normal functioning of the private banking company there is no participation or interference of the State or its authorities. The statutes have been framed regulating the financial and commercial activities so that fiscal equilibrium may be kept maintained and not get disturbed by the malfunctioning of such companies or institutions involved in the business of banking. These are regulatory measures for the purpose of maintaining a healthy economic atmosphere in the country. Such regulatory measures are provided for other companies also as well as industries manufacturing goods of importance. Otherwise these are purely private commercial activities. It deserves to be noted that it hardly makes any difference that such supervisory vigilance is kept by Reserve Bank of India under a statute or the Central Government. Even if it was with the Central Government in place of Reserve Bank of India it would not have made any difference, therefore, the argument based on the decision of All India Bank Employees' Assn. [AIR 1962 SC 171 : (1962) 3 SCR 269] does not advance the case of the respondent. It is only in case of malfunctioning of the company that occasion to exercise such powers arises to protect the interest of the depositors, shareholders or the company itself or to help the company to be out of the woods. In times of normal functioning such occasions do not arise except for routine inspections etc. with a view to see that things are moved*

*smoothly in keeping with fiscal policies in general."*

17. So far as the judgment in Federal Bank Ltd. (supra) is concerned, the issue arose in respect of a dispute between the bank and its employee. It was in that context that the Supreme Court examined the nature of the Federal Bank Ltd. and came to the conclusion that being a private entity the bank is not amenable to writ jurisdiction in a dispute raised by its employee.

18. Law is settled that contract of personal service is ordinarily not enforceable. Three exceptions to it are well recognized, none of which arose in the case of Federal Bank i.e. firstly, where a public servant is sought to be removed from service in contravention of the provisions of Article 311 of the Constitution of India; secondly, where a worker is sought to be reinstated on being dismissed under the Industrial Law; and third, where a statutory body acts in breach or violation of the mandatory provisions of the statute (See: Sirsi Municipality Vs. Kom Francis, (1973) 1 SCC 409, followed in the case of Executive Committee of Vaish Degree College Shamli and others Vs. Lakshmi Narain and others, (1976) 2 SCC 58). However, an exception was carved out in a case of malfunctioning of the company for protecting the interest of the depositors, etc.

19. Coming to the recent judgment of the Supreme Court in the case of S. Shobha (supra), the issue relating to maintainability of writ was examined with respect to a private company running a Non-Banking Finance Company. The Court held that a body, public or private, should not be categorized as "amenable" or "not amenable" to writ jurisdiction. The most important and vital consideration should be the "function" test

as regards the maintainability of a writ petition.

20. The Court has clearly observed in *S. Shobha (supra)* that, if a public duty or public function is involved, any body, public or private, concerned or in connection with that duty or function, and limited to that, would be subject to judicial scrutiny under the extraordinary writ jurisdiction of Article 226 of the Constitution of India. Para 8 & 9 of the judgment in *S. Shobha (supra)* is reproduced hereinafter:-

*"8. A body, public or private, should not be categorized as "amenable" or "not amenable" to writ jurisdiction. The most important and vital consideration should be the "function" test as regards the maintainability of a writ application. If a public duty or public function is involved, any body, public or private, concerned or connection with that duty or function, and limited to that, would be subject to judicial scrutiny under the extraordinary writ jurisdiction of Article 226 of the Constitution of India.*

*9. We may sum up thus:*

*(1) For issuing writ against a legal entity, it would have to be an instrumentality or agency of a State or should have been entrusted with such functions as are Governmental or closely associated therewith by being of public importance or being fundamental to the life of the people and hence Governmental.*

*(2) A writ petition under Article 226 of the Constitution of India may be maintainable against (i) the State Government; (ii) Authority; (iii) a statutory body; (iv) an instrumentality or agency of the State; (v) a company which is financed and owned by the State; (vi) a private body run substantially on State funding; (vii) a private body discharging public duty or positive obligation of public nature; and (viii) a person or a body under liability to discharge any function under any Statute, to compel it to perform such a statutory function.*

*(3) Although a non-banking finance company like the Muthoot Finance Ltd. with which we are concerned is duty bound to follow and abide by the guidelines provided by the Reserve Bank of India for smooth conduct of its affairs in carrying on its business, yet those are of regulatory measures to keep a check and provide guideline and not a participatory dominance or control over the affairs of the company.*

*(4) A private company carrying on banking business as a Scheduled bank cannot be termed as a company carrying on any public function or public duty.*

*(5) Normally, mandamus is issued to a public body or authority to compel it to perform some public duty cast upon it by some statute or statutory rule. In exceptional cases a writ of mandamus or a writ in the nature of mandamus may issue to a private body, but only where a public duty is cast upon such private body by a statute or statutory rule and only to compel such body to perform its public duty.*

*(6) Merely because a statute or a rule having the force of a statute requires a company or some other body to do a particular thing, it does not possess the attribute of a statutory body.*

*(7) If a private body is discharging a public function and the denial of any rights is in connection with the public duty imposed on such body, the public law remedy can be enforced. The duty cast on the public body may be either statutory or otherwise and the source of such power is immaterial but, nevertheless, there must be the public law element in such action.*

*(8) According to Halsbury's Laws of England, 3rd Ed. Vol.30, p.682, "a public authority is a body not necessarily a county council, municipal corporation or other local authority which has public statutory duties to perform, and which perform the duties and carries out its transactions for the benefit of the public and not for private profit". There cannot be any general definition of public authority or public action. The facts of each case decide the point."*

21. The judgment of the Hon'ble Supreme Court in S. Shobha (supra) related to a Non-Banking Finance Company which was carrying on function as a scheduled bank. The Non-Banking Finance Company in S. Shobha was Muthoot Finance Ltd. which is not a scheduled bank. Various restrictions and obligations imposed on a scheduled bank were not applicable in the case of S. Shobha, unlike the facts of this case (scheduled bank).

22. The important and vital consideration to determine the function test, as laid down by the Supreme Court in S. Shobha, would be the nature of obligation imposed upon the scheduled

bank while considering the request of a depositor to withdraw amount from its account.

23. Before we proceed further, it would be worth noticing that a private scheduled bank may engage itself in various functions and activities. Its not that all facets of its activity are of one kind. In a case of service dispute with its employee a writ petition under Article 226 of the Constitution of India may not be maintainable. Similarly, when such private scheduled bank indulges in any commercial transaction of providing loan or accepting term deposits, etc., a writ ordinarily may not lie in case of a dispute, unless any statutory violation is shown. However, such is not the case here.

24. In the facts of the present case, the petitioner company has deposited more than 10 crores in its current account maintained with the respondent bank. There is no dispute between the parties either with regard to quantum of deposit or with regard to interests, etc., over such deposit.

25. The withdrawal of amount belonging to petitioner from its current account is withheld by the respondent bank on account of its unilateral decision to freeze the petitioner's bank account on the request of third respondent and lodging of an FIR by her regarding a matrimonial dispute.

26. Admittedly, there is no order passed by any competent court to freeze the petitioner's bank account. There is no action or order of the investigating authority in any criminal case to freeze such bank account, either. No provision exists in law conferring authority upon the respondent bank to adjudicate private claims of the Director regarding their matrimonial dispute. It is in this factual context that the functional test

needs to be applied in this case to determine the question as to whether a writ would lie or not?

27. The statutory scheme to regulate private scheduled bank has already been extracted above which obligates it to obtain a licence before it embarks upon such banking activity. The requirement of licence from the Reserve Bank of India by the banking company is essential. The conditions of such licence include the ability of the bank to pay its present or future depositors in full as and when their claims accrue. The general character of the company also cannot be prejudicial to the public interest or interest of its depositors. Clause (e) of Section 22(3) clearly mandates that issuance of banking licence must subserve public interest and banking business in India.

28. Element of public interest involved in ensuring faith of depositor is thus an important aspect. The scheduled private bank acts as a trustee when it accepts deposit from an account holder and it cannot be allowed the autonomy of a village money lender who may accept the deposit and refuse its return to the depositor. The bank can be allowed to freeze the account only for legitimate purposes and in accordance with law. The bank cannot arrogate to itself an adjudicatory role in a matrimonial dispute of account holder. The depositor may lose interest in the banking company if its amount lying in deposit with the scheduled private bank is unauthorisedly withheld. It may lead to the depositor losing interest and confidence in the banking company itself. This would clearly be in derogation of the professed objective of the banking activity itself.

29. It is, therefore, necessary that in so far as withdrawal of amount by the depositor from its account is concerned the banking company must adhere to the conditions of licence

which are *sine-qua-non* for its registration. Sub-section (4) of Section 22 also provides that if there is a violation of the conditions of licence the Reserve Bank of India has the authority to cancel licence of the bank itself. In such circumstances, there is a positive legal obligation on the respondent scheduled bank to ensure that the faith of the depositor is not lost in the banking company by its activity. This part of the function of the scheduled private bank, in our considered view, lies in the realm of public function, and a writ would lie to address the wrong. Scheduled Private Bank, therefore, cannot claim immunity from judicial scrutiny, by writ court, only on the ground that its status remains that of a private bank. The objection of the respondents with regard to maintainability of the writ petition for the nature of relief sought in this writ petition, therefore, must fail.

30. Coming to the action of the respondent bank, it is undisputed that petitioner company has a Current Account maintained in the respondent bank and there are sufficient funds available with the petitioner company for withdrawal from its Current Account. Petitioner Company admittedly is a depositor and in terms of the banking practices it is clearly entitled to withdraw the amount lying in its Account. The Bank can deny withdrawal of such amount only in exigencies which are permissible in law. Such exigencies do not arise in the facts of this case, as is noticed above. In its absence the action of the respondent bank in refusing to allow withdrawal of amount from the account of the petitioner company cannot be sustained.

31. So far as the grievance of the third respondent in respect of a private dispute between her and Director of the petitioner company is concerned, her remedy would be to pursue her



grievance either before the competent Civil Court or before the NCLT where such proceedings are admittedly pending. There are otherwise no request for stopping withdrawal of the amount in criminal proceedings. The third respondent, therefore, would be well advised to seek appropriate direction from the competent forum in accordance with law. Making request to the bank for freezing the account of petitioner company would not be the proper remedy. We also hold that respondent bank has no jurisdiction to entertain the request of the third respondent and thereby freeze petitioner's account and deny withdrawal of amount from the bank account of the petitioner.

32. In view of the deliberations and discussions held above, this writ petition succeeds and is allowed. The order passed by the respondent bank, dated 28.5.2024, is quashed. The respondent bank is directed to allow the petitioner to operate its current account no. 3649007591, maintained in its Raj Nagar, Bhowapur Branch, District Ghaziabad, unless there is any legal hindrance created by a competent forum, in terms of the above direction.

**Order Date:-** 13.2.2025  
Ranjeet Sahu

(Arun Kumar Singh Deshwal, J.)

(Ashwani Kumar Mishra, J.)