IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 11-09-2026

CORAM

THE HON'BLE MR.JUSTICE HEMANT CHANDANGOUDAR

WP No. 37046 of 2026
and
W.M.P.Nos.41563 & 41564 of 2026

M/s. DHRUV JEWELLERS,
Rep. by its proprietor Mr. Dinesh sharma,
3rd Floor, C-303, Roop Chamber,
43 and 44, Erullapan Street, Sowcarpet,
Chennai 600 001.

..Petitioner(s)

Vs

1. The Principal Commissioner of Customs
New Custom House,
Chennai VII Commissionerate,
Air Cargo complex, Meenambakkam,
Chennai 600 016.
2. The Deputy Director
O/o The Additional Director General of
Revenue Intelligence,
Directorate of Revenue Intelligence,
Ministry of Finance, Department of Revenue,
Chennai Zonal Unit 27 G. N. Chetty Road,
T. Nagar, Chennai 600 017.
3. The Relationship Manager
Emerging Corporate Group
HDFC bank Ltd,
No 115, Dr Radhakrishnan Salai Branch
7th Floor, Mylapore,
Chennai 600 004.

..Respondent(s)

Writ Petition filed under Article 226 of the Constitution of India seeking a writ of Certiorarified Mandamus, to call for the entire records relating to the communication in F.No.DRI/CZU/VIII/48/Enq.1/INT-04/2022 dated

04.08.2022 of the 2nd respondent sent to the 3rd respondent and quash the same as illegal, without authority of law and in excess of jurisdiction insofar as it relates to the freezing of petitioner's Bullion Account having PAN AXZPD7004M and BA Account No.57500000622632 of the petitioner maintained with the 3rd respondent viz., HDFC Bank Limited, Dr.Radhakrishnan Salai Branch, Chennai 4 and consequently, direct the 2nd respondent to forthwith defreeze the petitioner's Bullion Account No.57500000622632 and IFSC Code No.HDFC0001097 (PAN AXZPD7004M) and to permit the operation of the above Bullion Bank Account.

For Petitioner(s): Mr.A.K.Jayaraj

For Respondent(s): Ms.Pooja Jain
Standing Counsel, for R1
Ms.M.Sheela
Senior Standing Counsel, for R2
Mr.C.Mohan
Ms.A.Rexy Josephine Mary
M/s.King and Partridge, for R3

ORDER

Ms.Pooja Jain, learned Standing Counsel, accepts notice for the first respondent. Ms.M.Sheela, learned Senior Standing Counsel, accepts notice for the second respondent. Mr.C.Mohan, learned counsel of M/s.King and Partridge, accepts notice on behalf of the third respondent.

2. The petitioner has approached this Court challenging the communication dated 04.08.2022 issued by the second respondent to the third respondent directing the freezing of the petitioner's bank account.

3. The petitioner is engaged in the business of exporting gold jewellery. According to the petitioner, the second respondent conducted a search of the petitioner's premises, during which no incriminating material was found. Nevertheless, the impugned communication was issued directing the freezing of the petitioner's bank account.

4. Heard the learned counsel appearing for the petitioner and the learned Standing Counsel appearing for the respondents.

5. Though several grounds have been raised challenging the freezing of the bank account, it is sufficient to consider the statutory period prescribed under Section 110(5) of the Customs Act, 1962 (hereinafter "said Act").

6. Section 110(5) of the said Act permits provisional attachment of a bank account for a period not exceeding six months. The proviso permits the Principal Commissioner of Customs or Commissioner of Customs, for reasons to be recorded in writing, to extend the period by a further period not exceeding six months. Such extension must also be communicated to the person whose account has been attached before expiry of the period originally specified. Thus, the provisional attachment under Section 110(5) cannot continue beyond the maximum period of twelve months.

7. In the present case, the petitioner's bank account was frozen pursuant to the communication dated 04.08.2022. Even assuming that the attachment was validly extended in accordance with the proviso to Section 110(5), the maximum period of twelve months has long since expired. Therefore, the provisional attachment cannot be continued under Section 110(5) beyond the statutory period.

8. The respondents contend that, in the meantime, the adjudicating authority has issued a show cause notice under Section 124 of the Customs Act and, therefore, the respondents no longer have the authority to consider the petitioner's request for defreezing the account. According to the respondents, the petitioner has to approach the adjudicating authority.

9. The said contention cannot be accepted. The freezing of the petitioner's bank account was ordered at the instance of the second respondent under Section 110(5) of the said Act. The power to provisionally attach the bank account is expressly subject to the limitation prescribed under that provision. The subsequent issuance of a show cause notice under Section 124 cannot, by itself, extend the period of provisional attachment prescribed under Section 110(5).

10. Therefore, the mere pendency of adjudication proceedings cannot justify continuation of a provisional attachment made under Section 110(5)

beyond the maximum period prescribed by the statute.

11. Learned counsel for the petitioner also placed reliance on the judgment of the Hon'ble Supreme Court in ***Kesari Nandan Mobile v. Office of Assistant Commissioner of State Tax (2), Enforcement Division–5***, Civil Appeal No.9543 of 2025, decided on 14.08.2025. In that case, while considering the statutory scheme governing provisional attachment under Section 83 of the CGST Act, the Hon'ble Supreme Court emphasised that an attachment which has ceased to operate by efflux of the statutory period cannot be continued by administrative action.

12. Though the said decision arose under the CGST Act, the principle that a statutory authority cannot continue a provisional attachment beyond the period expressly permitted by the statute is relevant to the present case. In the present case, Section 110(5) itself prescribes the maximum period for which the bank account can remain provisionally attached.

13. In the circumstances, the continued freezing of the petitioner's bank account, after expiry of the statutory period prescribed under Section 110(5), has no authority of law. The provisional attachment has ceased to operate by efflux of time.

14. Accordingly, the Writ Petition is allowed. The communication issued

by the second respondent in F.No.DRI/CZU/VIII/48/Enq.1/INT-04/2022 dated 04.08.2022 shall be treated as having ceased to operate by efflux of the statutory period. The third respondent is directed to defreeze the petitioner's Bullion Account No. 57500000622632 forthwith and permit the petitioner to operate the account.

15. This order will not preclude the respondents from taking any other action that may be permissible in law in respect of the petitioner or the subject matter of the investigation.

16. Consequently, the connected miscellaneous petitions are closed. There shall be no order as to costs.

11-09-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
mk

To

1. The Principal Commissioner of Customs
   New Custom House,
   Chennai VII Commissionerate,
   Air Cargo complex, Meenambakkam,
   Chennai 600 016.
2. The Deputy Director
   O/o The Additional Director General of Revenue Intelligence,
   Directorate of Revenue Intelligence,
   Ministry of Finance, Department of Revenue,
   Chennai Zonal Unit 27 G. N. Chetty Road,
   T. Nagar, Chennai 600 017.
3. The Relationship Manager
   Emerging Corporate Group
   HDFC bank Ltd,
   No 1158 Dr Radhakrishnan Salai Branch

7th Floor, Mylapore,
Chennai 600 004.

HEMANT CHANDANGOUDAR, J.

mk

WP No. 37046 of 2026

11-09-2026