


**HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR**

D.B. Civil Writ Petition No. 11124/2024

Paras Gems And Jewellers, Having Its Principal Place Of Business
At 27-28, Gopi Residency, LG-2, Luv Kush Nagar, 1St
Mangyawas Road, Mansarovar, Jaipur (GSTIN-
08AKIPL8046M1Zk) Through Its Proprietor Shri Hitesh Lodha

----Petitioner

Versus

1. Commissioner Of Customs (Preventive), Jodhpur Hqrs. At
Jaipur, Having Its Office At New Central Revenue Building,
Statue Circle, Jaipur
2. Deputy Commissioner Of Customs (Preventive), Jodhpur
Hqrs. At Jaipur, Having Its Office At New Central Revenue
Building, Statue Circle, Jaipur

----Respondents

For Petitioner(s)	:	Mr. Siddharth Ranka, Adv. with Ms. Apeksha Bapna, Adv. & Mr. Rohan Chatter, Adv.
For Respondent(s)	:	Mr. Ajay Shukla, Adv. Mr. Raghav Sharma, Adv.

**HON'BLE THE CHIEF JUSTICE MR. MANINDRA MOHAN SHRIVASTAVA
HON'BLE MR. JUSTICE ASHUTOSH KUMAR**

Judgment

REPORTABLE

19/10/2024

1. Heard.
2. This petition seeks to assail and challenge the legality and
validity of the action of the respondents in freezing the bank
account of the petitioner.
3. Necessary and relevant facts in brief for deciding the present
petition are that the petitioner is a proprietorship firm carrying on
the business of Bullion, but is not carrying out any export or
import of goods outside India. On 13.03.2024, a search action

under Section 110 of The Customs Act, 1962 (for short 'the Act') took place at the residential and business premises of the petitioner by the Departmental Officials. A summon, thereafter, came to be issued for making his appearance before Superintendent of Customs (Preventive), Jaipur on 13.03.2024 and 14.03.2024 at the stipulated time. The statements of the petitioner were also recorded under Section 108 of the Act. Again summons were issued to the brother of the petitioner on 15.03.2024 for tendering the statements before the Superintendent of Customs (Preventive) Jaipur on 22.03.2024 under Section 108 of the Act.

4. Thereafter, the petitioner did not receive/or communicate with any order. It is the case of the petitioner that later on, when the petitioner approached his bank for making banking transaction through his bank account held with the Axis Bank, Sanganeri Gate Branch, Jaipur, bank declined the transaction and informed him that his account has been frozen on the instructions issued by the Custom Authorities. Thereafter, on petitioner's request, the bank vide letter dated 07.05.2024 informed the petitioner regarding freezing of the bank account. A copy of order dated 14.03.2024 addressed to the bank was also provided. Aggrieved by the action of the respondents in freezing the account, the petitioner has approached this Court by filing the instant petition under Article 226 of the Constitution of India.

5. Learned counsel for the petitioner assailed the action of the respondents in freezing his account on submissions primarily based and confined to the provisions contained under Section 110 of the Act alleging statutory violation of the provisions and that

the order of the authority was in excess of jurisdiction. Relying upon the decision of the Hon'ble Supreme Court in the case of **M/ S Radha Krishan Industries Versus State of Himachal Pradesh & Ors., 2021 (6) SCC 771** and a Division Bench judgment of the Bombay High Court in the case of **Chokshi Arvind Jewellers Versus Union of India, 2024 (3) TMI 605**, he would submit that firstly, there is no order passed in writing, as mandated under Section 110(5) of the Act regarding satisfaction, as required under the law, before taking impugned action having serious consequences on petitioner's business transactions due to blocking of his bank account. He would submit that the law required the respondent-authority not only to pass the order in writing, but also to disclose an opinion formed on the basis of tangible material that for the purpose of protecting the interest of revenue or preventing smuggling, it has become necessary to freeze the account. He would submit that the order dated 14.03.2024 addressed to the bank and assailed in this petition, does not fulfill the requirement of law. Therefore, it is submitted that the impugned action of freezing of account is in utter violation of statutory requirement, as specified under Section 110 of the Act.

6. Per contra, learned counsel appearing for respondents-custom department would submit that insofar as exercise of power of freezing at the first instance is concerned, it does not require passing of an order in writing and all that is required is to inform, as envisaged under the law, which has already been done by the authorities in their own records and files and the reasons which compelled the authorities to take the action of freezing the bank

account has been spelt out in detail in reply filed by the respondents. He would submit that in the absence of there being any requirement of law to record any order in writing, the formation of opinion, as disclosed in the return, is substantial compliance of requirement of law. He would further submit that during the pendency of the petition, initial period of six months expired on 13.09.2024 and a fresh order for extension of earlier order has now been passed and now reasons have been recorded because under the law, if the order of freezing of account is required to be extended, the law then requires recording of reasons in writing. On such submission, learned counsel for the respondents would submit that there has been full and substantial compliance of law and there is no legality. He refers to the extension order passed on 13.09.2024, annexed along with return as also the impugned notice, which has been given to the petitioner.

7. We have heard learned counsel for the parties and gone through the pleadings as also bestowed our consideration on respective submissions made by learned counsel for the parties in the light of provisions contained under Section 110(5) of the Act.

8. Power of search, seizure and arrest that may be exercised under the Act has been provided in Chapter XIII, under Sections 100, 102 and 110(AA) which deals with power of search of suspected persons, power to arrest, power to search premises, power to stop and search conveyances, power to examine persons, power to summon persons to give evidence and produce documents and to require production of order permitting clearance of goods imported by land.

9. Section 110 of the Act provide for seizure of goods, documents and things. In addition to the power of seizure of goods and documents, it also inter alia provides for attachment of any bank account for a certain period of time on provisional basis. Aforesaid provision being relevant for our purposes in the present case, is extracted herein below:-

“Section 110. **Seizure of goods, documents and things.**-(1) If the proper officer has reason to believe that any goods are liable to confiscation under this Act, he may seize such goods:

[Provided that where it is not practicable to remove, transport, store or take physical possession of the seized goods for any reason, the proper officer may give custody of the seized goods to the owner of the goods or the beneficial owner or any person holding himself out to be the importer, or any other person from whose custody such goods have been seized, on execution of an undertaking by such person that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:

Provided further that where it is not practicable to seize any such goods, the proper officer may serve an order on the owner of the goods or the beneficial owner of any person holding himself out to be importer, or any other person from whose custody such goods have been found, directing that such person shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer.]

[(1A) The Central Government may, having regard to the perishable or hazardous nature of any goods, depreciation in the value of the goods with the passage of time, constraints of storage space for the goods or any other relevant considerations, by notification in the Official Gazette, specify the goods or class of goods which shall, as soon as may be after its seizure under sub-section (1), be disposed of by the proper officer in such manner as the Central Government may, from time to time, determine after following the procedure hereinafter specified.]

[(1B) Where any goods, being goods specified under sub-section (1A), have been seized by a proper officer under sub-section (1), he shall prepare an inventory of such goods containing such details relating to their description, quality,

quantity, mark, numbers, country of origin and other particulars as the proper officer may consider relevant to the identity of the goods in any proceedings under this Act and shall make an application to a Magistrate for the purpose of-

(a) certifying the correctness of the inventory so prepared; or

(b) taking, in the presence of the Magistrate, photographs of such goods, and certifying such photographs as true; or

(c) allowing to draw representative samples of such goods, in the presence of the Magistrate, and certifying the correctness of any list of samples so drawn.]

[(1C) Where an application is made under sub-section (1B), the Magistrate shall, as soon as may be, allow the application.]

[(1D) Where the goods seized under sub-section (1) is gold in any form as notified under sub-section (1A), then, the proper officer shall, instead of making an application under sub-section (1B) to the Magistrate, make such application to the Commissioner (Appeals) having jurisdiction, who shall, as soon as may be, allow the application and thereafter, the proper officer shall dispose of such goods in such manner as the Central Government may determine.]

(2) Where any goods are seized under sub-section (1) and no notice in respect thereof is given under clause (a) of section 124 within six months of the seizure of the goods, the goods shall be returned to the person from whose possession they were seized:

[Provided that the Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend such period to a further period not exceeding six months and inform the person from whom such goods were seized before the expiry of the period so specified:

Provided further that where any order for provisional release of the seized goods has been passed under section 110A, the specified period of six months shall not apply.]

(3) The proper officer may seize any documents or things which, in his opinion, will be useful for, or relevant to, any proceeding under this Act.

(4) The person from whose custody any documents are seized under sub-section (3) shall be entitled to make copies thereof or take extracts therefrom in the presence of an officer of customs.

(5) Where the proper officer, during any proceedings under the Act, is of the opinion that for the purposes of protecting the interest of revenue or preventing smuggling, it is necessary

so to do, he may, with the approval of the Principal Commissioner of Customs or Commissioner of Customs, by order in writing, provisionally attach any bank account for a period not exceeding six months:

Provided that the Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend such period to a further period not exceeding six months and inform such extension of time to the person whose bank account is provisionally attached, before the expiry of the period so specified.]”

10. A plain reading of the aforesaid provision and logical interpretation would be that the power to attach any bank account on provisional basis is circumscribed by certain statutory conditions. The first is that the power can be exercised only during any proceedings under the Act. The power to attach the bank account with relevant specific reasons without any other proceedings under the Act would not be available. Therefore, the power to attachment under the action is supplementary power for effective exercise of powers under other provisions of the Act which are envisaged therein. In other words, without there being any proceedings pending under the Act, the power of attachment could not be exercised on stand alone basis.

11. It is sine quo non that an opinion is required to be formed with reference to the following:-

(a) it has become necessary to attach on provisional basis the bank account for the purposes of protecting the interest of revenue.

(b) that it is necessary to attach bank account in order to prevent smuggling.

(c) Approval of Principal Commissioner, Customs or Commissioner Customs is obtained.

12. Under Sub-section 5 thereof, the aforesaid conditions are required to be fulfilled.

13. In addition, what is importantly provided under the law to keep fetter on the exercise of power and to avoid misuse and abuse of power, is that an order is required to be passed in writing.

14. The entire provision read in this manner leads to conclusion that before the original attachment is made, an order in writing is required to be passed which must contain an opinion based on relevant and tangible material that a necessity had arisen to attach bank account for the purpose of protecting the interest of revenue or preventing smuggling.

Unless all these requirements stated under the law are fulfilled, the power to freeze bank account, which by its very nature results in serious consequences, could not be invoked.

15. Proviso to Sub-section 5 of the Act provides for extension for a further period of six months.

16. In the present case, the exercise of power, if we may say so, is in violation of the statutory mandate, as referred under sub-section 5 of Section 110 of the Act. The petitioner has assailed validity of communication dated 14.03.2024 made by the respondent-authorities to the bank. A perusal of the said communication shows that it contains nothing much less an opinion based on any tangible material to the effect that it has become necessary to freeze the bank account for the purpose of either protecting the interest of revenue or preventing smuggling. The text and tenor of the order is merely a communication and not an order in writing, which is mandated under the law. Though,

the petitioner terms it as an order, in our considered opinion, it does not fulfill any legal requirements of an order. It is merely a communication addressed to the bank. The order was required to be in writing and that too recording opinion, as envisaged under the law. In the absence of all those things, communication dated 14.03.2024 is merely a communication and not an order at all.

17. We are unable to accept the submission of learned counsel for the custom department that while passing the order of provisionally freezing the bank account at the first instance, there is no legal requirement of passing an order. This argument is completely against not only the letter but also spirit of law. The expression "order in writing" preceding the expression "provisionally attach any bank account for a period not exceeding six months" clearly shows that the order of provisional attachment has to be by an order in writing and not by other mode. It is well settled principles of law that when power is required to be exercised in a particular manner, as provided under the law, it has to be exercised in that manner alone and not otherwise.

18. The argument that the opinion formed by the authority which may have contained the records and files, is substantial compliance of requirement of law, cannot be accepted. It is not the language of the statute that only recording of opinion is enough. Use of expression "by order in writing", reflects the necessity to regulate the exercise of power. Requirement of passing an order in writing is not an empty formality but such provisions have been made by the statute to militate against arbitrary or malafide exercise of power.

19. True it is that the proviso also requires the reasons to be recorded in writing before expiry of a further period of six months. That even if read conjointly with the main provision, does not lead to an interpretation that recording of reasons in writing is not required by law while passing an order of freezing the bank account. The provisions seek to regulate exercise of power by imposing certain fetter and rider in exercise of power. It is also well settled principle and canon of interpretation statute that where certain pre-conditions for exercise of power are provided, ordinarily they are not directly but mandatory. In **Haridwar Singh vs. Bhgun Sumbrui & Ors. [1973 (3) SCC 889]**, it has been held that powers are normally held to be mandatory.

20. Even if for the argument sake, communication dated 14.03.2024 addressed to the bank is treated as an order, its validity must be judged on the basis of the reasons which have been recorded in the order and not the reasons which are supplied by filing a reply to justify exercise of power. This legal position of law was considered by the Hon'ble Supreme Court in the case of **Mohinder Singh Gill vs. Chief Election Commissioner, New Delhi [1978 (1) SCC 405]** wherein their Lordships in the Supreme Court pertinently observed as under:

"8. The second equally relevant matter is that when a statutory functionary makes an order based on certain grounds, its validity must be judged by the reasons so mentioned and cannot be supplemented by fresh reasons in the shape of affidavit or otherwise. Otherwise, an order bad in the beginning may, by the time it comes to Court on account of a challenge, get validated by additional grounds later brought out. We may here draw attention to the observations of Bose, J. in Commr. of Police, Bombay Vs. Gordhandas Bhanji, AIR 1952 SC 16:

Public orders, publicly made, in exercise of a statutory authority cannot be construed in the light of explanations subsequently given by the officer making the order of what he meant, or of what was in his mind, or what he intended to do. Public orders made by public authorities are meant to have public effect and are intended to affect the actings and conduct of those to whom they are addressed and must be construed objectively with reference to the language used in the order itself."

In the aforesaid decision, it has been clearly stated that validity of statutory order is to be judged on the basis of the reasons stated in the order itself and not on the basis of the reasons, which are supplied to justify the power.

21. Therefore, what has been stated in the return cannot be allowed to substantiate what has been stated in the communication order dated 14.03.2024. There is neither any opinion formed much less any tangible relevant material for formation of the impugned order and there is no whisper as to how and as to on what basis the authority formed an opinion that it has become necessary to freeze the bank account for the purpose of protecting the interest of revenue or for preventing smuggling. Therefore, viewed from any angle, the action of the respondents is in breach of law.

22. Similar provision conferring exercise of power for freezing of bank account as contained in Section 83 of the CGST Act came up for consideration of Hon'ble Supreme Court in the case of M/S Radha Krishan Industries (supra). The interpretation of the provisions and the statutory mandate was explained by the Hon'ble Supreme Court as below:-

"39. *The essence of the present case lies in how the power to order a provisional attachment under Section*

83 of the HPGST Act is construed. Before interpreting it, the provision is extracted below for convenience of reference:

"83. Provisional attachment to protect revenue in certain cases. - (1) Where during the pendency of any proceedings under section 62 or section 63 or section 64 or section 67 or section 73 or section 74, the Commissioner is of the opinion that for the purpose of protecting the interest of the Government revenue, it is necessary so to do, he may, by order in writing attach provisionally any property, including bank account, belonging to the taxable person in such manner as may be prescribed. (2) Every such provisional attachment shall cease to have effect after the expiry of a period of one year from the date of the order made under sub-section (1)."

40. The marginal note to Section 83 provides some indication of Parliamentary intent. Section 83 provides for "provisional attachment to protect revenue in certain cases". The first point to note is that the attachment is provisional – provisional in the sense that it is in aid of something else. The second point to note is that the purpose is to protect the revenue. The third point is the expression "in certain cases" which shows that in order to effect a provisional attachment, the conditions which have been spelt out in the statute must be fulfilled. Marginal notes, it is well-settled, do not control a statutory provision but provide some guidance in regard to content. Put differently, a marginal note indicates the drift of the provision. With these prefatory comments, the judgment must turn to the essential task of statutory construction. The language of the statute has to be interpreted bearing in mind that it is a taxing statute which comes up for interpretation. The provision must be construed on its plain terms. Equally, in interpreting the statute, we must have regard to the purpose underlying the provision. An interpretation which effectuates the purpose must be preferred particularly when it is supported by the plain meaning of the words used.

41. Sub-Section (1) of Section 83 can be bifurcated into several parts. The first part provides an insight on when in point of time or at which stage the power can be exercised. The second part specifies the authority to whom the power to order a provisional attachment is entrusted. The third part defines the conditions which must be fulfilled to validate the power or ordering a provisional attachment. The fourth part indicates the manner in which an attachment is to be leveled. The final and the fifth part defines the nature of the property which can be attached. Each of these special divisions which have been explained above is for convenience of

exposition. While they are not watertight compartments, ultimately and together they aid in validating an understanding of the statute. Each of the above five parts is now interpreted and explained below:

41.1. The power to order a provisional attachment is entrusted during the pendency of proceedings under any one of six specified provisions: Sections 62, 63, 64, 67, 73 or 74. In other words, it is when a proceeding under any of these provisions is pending that a provisional attachment can be ordered;

41.2. The power to order a provisional attachment has been vested by the legislature in the Commissioner;

41.3. Before exercising the power, the Commissioner must be "of the opinion that for the purpose of protecting the interest of the government revenue, it is necessary so to do";

41.4. The order for attachment must be in writing;

41.5. The provisional attachment which is contemplated is of any property including a bank account belonging to the taxable person; and

41.6. The manner in which a provisional attachment is levied must be specified in the rules made pursuant to the provisions of the statute.

42. Under sub-Section (2) of Section 83, a provisional attachment ceases to have effect upon the expiry of a period of one year of the order being passed under sub-Section (1). The power to levy a provisional attachment has been entrusted to the Commissioner during the pendency of proceedings under Sections 62, 63, 64, 67, 73 or as the case may be, Section 74. Section 62 contains provisions for assessment for non-filing of returns. Section 63 provides for assessment of unregistered persons. Section 64 contains provisions for summary assessment. Section 67 elucidates provisions for inspection, search and seizure.

43. to 48. xxxxxxxx

49. Now in this backdrop, it becomes necessary to emphasize that before the Commissioner can levy a provisional attachment, there must be a formation of "the opinion" and that it is necessary "so to do" for the purpose of protecting the interest of the government revenue. The power to levy a provisional attachment is draconian in nature. By the exercise of the power, a property belonging to the taxable person may be attached, including a bank account. The attachment is provisional and the statute has contemplated an attachment during the pendency of the proceedings under the stipulated statutory provisions noticed earlier. An attachment which is contemplated in Section 83 is, in other words, at a stage which is anterior to the finalization of an assessment or the raising of a demand. Conscious as the legislature was of the draconian nature of the power and the serious consequences which

emanate from the attachment of any property including a bank account of the taxable person, it conditioned the exercise of the power by employing specific statutory language which conditions the exercise of the power. The language of the statute indicates first, the necessity of the formation of opinion by the Commissioner; second, the formation of opinion before ordering a provisional attachment; third the existence of opinion that it is necessary so to do for the purpose of protecting the interest of the government revenue; fourth, the issuance of an order in writing for the attachment of any property of the taxable person; and fifth, the observance by the Commissioner of the provisions contained in the rules in regard to the manner of attachment. Each of these components of the statute are integral to a valid exercise of power. In other words, when the exercise of the power is challenged, the validity of its exercise will depend on a strict and punctilious observance of the statutory preconditions by the Commissioner. While conditioning the exercise of the power on the formation of an opinion by the Commissioner that "for the purpose of protecting the interest of the government revenue, it is necessary so to do", it is evident that the statute has not left the formation of opinion to an unguided subjective discretion of the Commissioner. The formation of the opinion must bear a proximate and live nexus to the purpose of protecting the interest of the government revenue.

50. By utilizing the expression "it is necessary so to do" the legislature has evinced an intent that an attachment is authorized not merely because it is expedient to do so (or profitable or practicable for the revenue to do so) but because it is necessary to do so in order to protect interest of the government revenue. Necessity postulates that the interest of the revenue can be protected only by a provisional attachment without which the interest of the revenue would stand defeated. Necessity in other words postulates a more stringent requirement than a mere expediency. A provisional attachment under Section 83 is contemplated during the pendency of certain proceedings, meaning thereby that a final demand or liability is yet to be crystallized. An anticipatory attachment of this nature must strictly conform to the requirements, both substantive and procedural, embodied in the statute and the rules. The exercise of unguided discretion cannot be permissible because it will leave citizens and their legitimate business activities to the peril of arbitrary power. Each of these ingredients must be strictly applied before a provisional attachment on the property of an assessee can be levied. The Commissioner must be alive to the fact that such provisions are not intended to authorize Commissioners to make preemptive strikes on the

property of the assessee, merely because property is available for being attached. There must be a valid formation of the opinion that a provisional attachment is necessary for the purpose of protecting the interest of the government revenue.

51. These expressions in regard to both the purpose and necessity of provisional attachment implicate the doctrine of proportionality. Proportionality mandates the existence of a proximate or live link between the need for the attachment and the purpose which it is intended to secure. It also postulates the maintenance of a proportion between the nature and extent of the attachment and the purpose which is sought to be served by ordering it. Moreover, the words embodied in sub-Section (1) of Section 83, as interpreted above, would leave no manner of doubt that while ordering a provisional attachment the Commissioner must in the formation of the opinion act on the basis of tangible material on the basis of which the formation of opinion is based in regard to the existence of the statutory requirement. While dealing with a similar provision contained in Section 45(1) of the Gujarat Value Added Tax Act 2003, one of us (Hon'ble Mr Justice MR Shah) speaking for a Division Bench of the Gujarat High Court in *Vishwanath Realtor v State of Gujarat* [2015 SCC Online Guj 6564] observed:

"26. Section 45 of the VAT Act confers powers upon the Commissioner to pass the order of provisional attachment of any property belonging to the dealer during the pendency of any proceedings of assessment or reassessment of turnover escaping assessment. However, the order of provisional attachment can be passed by the Commissioner when the Commissioner is of the opinion that for the purpose of protecting the interest of the Government Revenue, it is necessary so to do. Therefore, before passing the order of provisional attachment, there must be an opinion formed by the Commissioner that for the purpose of protecting the interest of the Government Revenue during the pendency of any proceedings of assessment or reassessment, it is necessary to attach provisionally any property belonging to the dealer. However, such satisfaction must be on some tangible material on objective facts with the Commissioner. In a given case, on the basis of the past conduct of the dealer and on the basis of some reliable information that the dealer is likely to defeat the claim of the Revenue in case any order is passed against the dealer under the VAT Act and/or the dealer is likely to sale his properties and/or sale and/or dispose of the properties and in case after the conclusion of

the assessment/reassessment proceedings, if there is any tax liability, the Revenue may not be in a position to recover the amount thereafter, in such a case only, however, on formation of subjective satisfaction/opinion, the Commissioner may exercise the powers under Section 45 of the VAT Act.” (emphasis supplied)

52. *We adopt the test of the existence of “tangible material”. In this context, reference may be made to the decision of this Court in the Commissioner of Income Tax v Kelvinator of India Limited [(2010) 2 SCC 723]. Mr Justice SH Kapadia (as the learned Chief Justice then was) while considering the expression “reason to believe” in Section 147 of the Income Tax Act 1961 that income chargeable to tax has escaped assessment inter alia by the omission or failure of the assessee to disclose fully and truly all material facts necessary for the assessment of that year, held that the power to reopen an assessment must be conditioned on the existence of “tangible material” and that “reasons must have a live link with the formation of the belief”. This principle was followed subsequently in a two judge Bench decision in Income Tax Officer, Ward No. 162 (2) v Techspan India Private Limited [(2018) 6 SCC 685]. While advertent to these decisions we have noticed that Section 83 of the HPGST Act uses the expression “opinion” as distinguished from “reasons to believe”. However for the reasons that we have indicated earlier we are clearly of the view that the formation of the opinion must be based on tangible material which indicates a live link to the necessity to order a provisional attachment to protect the interest of the government revenue.”*

23. Later on, relying upon the decision of the Hon’ble Supreme Court in the aforesaid case, a Division Bench of the Bombay High Court in the case of Chokshi Arvind Jewellers (supra), dealing with provision contained in Section 110(5) of the Act has also held on similar lines with which we fully agree.

24. The submission of learned counsel for the respondents is that during pendency of the petition, as the original order was not extended, therefore, without that order being challenged, no relief could be granted. It is merely extension of the earlier order. Once the Court holds that the first action of freezing of account, as

communicated to the bank vide order dated 14.03.2024 itself was in breach of law, there is no question of extending any illegal order. Therefore, all subsequent action which has been taken on the basis of the impugned action and order of the respondents must also go.

25. In the result, the petition is allowed. The action of the respondents in freezing the bank account of the petitioner is held illegal and inoperative in law. The result would be that the bank account of the petitioner shall forthwith be released and the petitioner is allowed to operate the account.

26. The petition is accordingly allowed.

(ASHUTOSH KUMAR),J

(MANINDRA MOHAN SHRIVASTAVA),CJ