



W.P.No.3772 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED : 30.07.2026

CORAM

THE HONOURABLE MR.JUSTICE HEMANT CHANDANGOUDAR

W.P.No.3772 of 2026

K.Kathiravan
S/o.Muthu

... Petitioner

vs.

1. The Commissioner of Customs
Customs House,
Tuticorin.

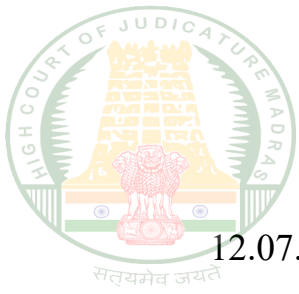
2. The Assistant Commissioner of Customs
Tuticorin Port
Tuticorin.

3. The Branch Manager
Tamil Nadu Mercantile Bank
Cuddalore Branch
19, Siva Complex
Block No.18, Ward No.6
Imperial Road, Cuddalore – 607 002.

... Respondents

Writ Petition filed under Article 226 of the Constitution of India praying a writ of Mandamus, directing the 3rd respondent Bank to forthwith release and return the deposit of Rs.3,60,000/- along with accrued interest, in respect of the Bank Guarantee bearing No.084BG2022000054 dated

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12.07.2022, without insisting on return of original Bank Guarantee within a reasonable time.

For Petitioner : Mr.R.Balaramesh
For Respondents : Mr.B.Arvind Srivatsa
Junior Standing Counsel, for R1 & R2
Mr.V.Chandrasekaran, for R3

ORDER

The petitioner has filed the present writ petition seeking a direction to the third respondent Bank to release and refund the sum of Rs.3,60,000/-, together with the applicable contractual interest, being the amount deposited for obtaining Bank Guarantee No.084BG2022000054 dated 12.07.2022.

2. The petitioner imported a consignment of cashew nuts from Burkina Faso through Tuticorin Port. At the time of customs clearance, the Customs Department entertained doubts regarding the country of origin of the goods. Since the goods were perishable, the Customs authorities permitted provisional release of the consignment on the condition that the petitioner furnish a bank guarantee.



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3. In compliance with the said requirement, the petitioner obtained Bank Guarantee No.084BG2022000054 dated 12.07.2022 from the third respondent Bank for a sum of Rs.3,60,000/-. The guarantee was valid from 13.07.2022 to 10.01.2024 and was furnished in favour of the Customs Department.

4. According to the petitioner, the bank guarantee expired on 10.01.2024, but the third respondent Bank has not refunded the amount deposited for issuing the bank guarantee.

5. Learned counsel appearing for respondents 1 and 2 submitted that the Customs Department has no objection to the release of the deposited amount, since the bank guarantee has already expired. It is also brought to the notice of this Court that the third respondent Bank, by its communication dated 10.03.2025 addressed to the Commissioner of Customs, informed that the bank guarantee had expired on 10.01.2024 and stood cancelled with effect from 10.01.2025, and therefore had ceased to be valid thereafter.



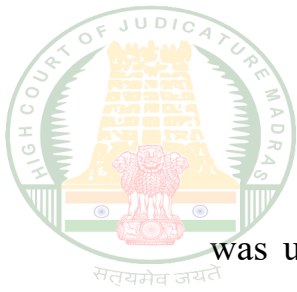
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6. Despite the above communication, the petitioner submits that the third respondent Bank has failed to refund the deposit amount of Rs.3,60,000/-.

7. Heard the learned counsel appearing for the petitioner, the learned Junior Standing Counsel appearing for respondents 1 and 2, and the learned counsel appearing for the third respondent Bank.

8. The learned counsel for the third respondent Bank contended that the bank guarantee contains a clause enabling extension of its validity and, therefore, the petitioner cannot seek refund of the deposited amount merely because the original validity period has expired.

9. This contention cannot be accepted. Though the bank guarantee may contain a provision for extension, the Bank has admittedly not issued any communication extending its validity. On the contrary, the Bank itself has informed the Customs Department that the guarantee had expired and stood cancelled. Once the bank guarantee expired without any extension, the Bank



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was under an obligation to refund the amount deposited by the petitioner towards the security for the bank guarantee.

10. In view of the above facts, the writ petition is disposed of with a direction to the third respondent Bank to release and refund the sum of Rs.3,60,000/-, together with the applicable contractual interest, in respect of Bank Guarantee No.084BG2022000054 dated 12.07.2022, within a period of four weeks from the date of receipt of a copy of this order. There shall be no order as to costs.

30.07.2026

Speaking / Non-speaking order

Neutral Citation : Yes / No

Index : Yes / No

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To

1. The Commissioner of Customs
Customs House, Tuticorin.
2. The Assistant Commissioner of Customs
Tuticorin Port, Tuticorin.
3. The Branch Manager
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Cuddalore Branch, 19, Siva Complex
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HEMANT CHANDANGOUDAR, J.,

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