HIGH COURT OF JAMMU & KASHMIR AND LADAKH AT JAMMU

WP (C) No. 234/2026 c/w
WP(C) No. 735/2025
WP(C) No. 1106/2025
WP(C) No. 637/2026
WP(C) No. 757/2026
WP(C) No. 1951/2026

Reserved on: 12.08.2026
Pronounced on: 20.08.2026
Uploaded on: 20.08.2026

Whether the operative part or
full judgment is pronounced: **FULL**

WP (C) No. 234/2026

1. Jai Dev Kaalra, Age 60 years
   S/o Narain Dass Kalra
   R/o H.No. 91-A/D, Gandhi Nagar,
   Jammu.
2. Sanchit Mahajan Age 31 years
   S/o Raman Gupta
   R/o 32 AB Gandhi Nagar, Jammu

…..Petitioner(s)

Through: Mr. Gagan Basotra, Sr. Advocate with
Mr. Sachin Gupta, Advocate

Vs.

1. Union Territory of Jammu and Kashmir
   Through Commissioner/Secretary
   Revenue Department
   Civil Secretariat, Jammu and Kashmir
   Jammu
2. District Magistrate, Jammu
3. Deputy Commissioner, Jammu
4. Additional Deputy Commissioner,
   Jammu
5. Excise Commissioner UT of J&K, Rail
   Head Complex, Jammu
6. Varun Gupta, S/o Lt. Sh. Arun Kumar
   R/o 31 A/B, Gandhi Nagar, Jammu

….. Respondent(s)

Through: Mrs. Monika Kohli, Sr. AAG with
Ms. Nazia Fazal, Advocate for R-1-5.

Mr. Amit Gupta, Sr. Advocate with
Mr. Sumit Moza, Advocate for R-6.

WP(C) No. 735/2025

1. Varun Gupta, Age-46 years
   S/o Lt. Sh. Arun Kumar
   R/o 31 A/B Gandhi Nagar, Jammu.

2. Dinesh Kumar Age-55 years
   S/o Lt. Sh. Nek Ram
   R/o H.No. 203, Rampura
   Gandhi Nagar, Jammu.

…..Petitioner(s)

Through: Mr. Amit Gupta, Sr. Advocate with
Mr. Sumit Moza, Advocate.

Vs.

1. UT of Jammu and Kashmir
   Through Commissioner/Secretary
   Finance Department,
   Civil Secretariat, J&K,
   Jammu.
2. Excise Commissioner,
   J&K Government,
   Srinagar/Jammu
3. Deputy Commissioner
   Jammu
4. Additional District Magistrate
   Wazarat Road, Jammu
5. Sub-Divisional Magistrate
   Jammu South
6. Sanchit Mahajan
   R/o 32A/B, Gandhi Nagar,
   Jammu

….. Respondent(s)

Through: Mrs. Monika Kohli, Sr. AAG with
Ms. Nazia Fazal, Advocate for
R-1 to 5.
Mr. Sachin Gupta, Advocate for R-6.

WP(C) No. 1106/2025

1. Kul Bhushan Jandial, IAS (Retd), Age- 75 years S/o Late Sh. Mani Ram Jandial
   R/o 63 A/B, Gandhi Nagar, Jammu-180004

….Petitioner(s)

Through: Mr. Rahul Pant, Sr. Advocate with
Mr. Anirudh Sharma, Advocate.

Vs.

1. Union Territory of Jammu and Kashmir,

Through Commissioner/Secretary to Government, Finance Department, Jammu & Kashmir Government, Civil Secretariat, Jammu

2. Excise Commissioner, Jammu and Kashmir Government Excise Department Excise and Taxation Complex, Rail Head, Jammu.
3. Deputy Excise Commissioner (Executive) Excise Department, Excise & Taxation Complex, Rail Head, Jammu
4. Deputy Commissioner, Jammu.
5. Sanchit Mahajan
(Licensee-JKEL-2)
S/o Sh. Raman Gupta
32-A/B, Gandhi Nagar, Jammu. ….Respondent(s)

Through: Mrs. Monika Kohli, Sr. AAG with Ms. Nazia Fazal, Advocate for R-1 to 4.
Mr. Sachin Gupta, Advocate for R-5.

WP(C) No. 637/2026

1. Pritam Singh, Age 65 years
S/o Sh. Nathu Ram
R/o Bharat Garh, Papar, Nai Kali, Tehsil Samba, District Samba.

2. Jail Dev Kaalra, Age 60 Years
S/o Narian Dass Kaalra
R/o H.No. 91-A/D Gandhi Nagar, Jammu …..Petitioner(s)

Through: Mr. Z. A. Shah, Sr. Advocate with Mr. J. I. Balwan, Advocate.

Vs.

1. Union Territory of Jammu and Kashmir
Through Commissioner/Secretary
Revenue Department
Civil Secretariat, Jammu and Kashmir
Jammu
2. District Magistrate, Jammu
3. Deputy Commissioner, Jammu
4. Excise Commissioner, UT of J&K, Rail Head Complex, Jammu
5. Excise and Taxation Officer
Excise Range South, Jammu
6. Excise Inspector, Excise Range,
South Jammu
7. Mr. Varun Gupta, S/o Lt. Arun Kumar R/o 31 A/B, Gandhi Nagar, Jammu ….. Respondent(s)

Through: Mrs. Monika Kohli, Sr. AAG with Ms. Nazia Fazal, Advocate for R- 1 to 6.
Mr. Amit Gupta, Sr. Advocate with Mr. Sumit Moza, Advocate for R-7.

WP(C) No. 757/2026

1. Sumaksh Mahajan, Aged 40 years
   S/o Sh. Ashok Kumar Gupta,
   R/o 32 A/B, Gandhi Nagar, Jammu-180004.

2. Sushant Kalra; aged 32 years
   S/o Sh. Jail Dev Kalra
   R/o 102 A/D, Gandhi Nagar, Jammu-180004

3. Anuja Gupta, aged 60 years
   W/o Sh. Raman Gupta, R/o H.No. 32 A/B,
   Gandhi Nagar, Jammu-180004.

4. Ankit Mahajan; aged 34 years
   S/o Sh. Raman Gupta,
   R/o H.No. 32 A/B, Gandhi Nagar, Jammu
   180004

…..Petitioner(s)

Through: Mr. Rahil Raja, Advocate.

Vs.

1. Union Territory of Jammu and Kashmir
   Through Commissioner/Secretary
   Finance Department
   Jammu & Kashmir, Government
   Civil Secretariat, Jammu

2. Excise Commissioner
   Jammu and Kashmir Government
   Excise Department
   Excise and Taxation Complex
   Rail Head, Jammu

3. Deputy Excise Commissioner (Executive)
   Excise Department
   Excise and Taxation Complex
   Rail Head, Jammu

4. District Magistrate/Deputy Commissioner.
   Jammu

5. Jammu Municipal Corporation
   Through its Commissioner
   Town Hall Jammu, Jammu

6. Smt. Renu Gupta
   (Licenseee-JKEL-2)

W/o Sh. Chandan Gupta
R/o 90-A, Gandhi Nagar, Jammu

7. Sh. Munish Gupta
(Licensee-JKEL-4)
S/o Sh. Bansi Lal Gupta
R/o 90-A, Gandhi Nagar, Jammu
Proprietor: M/S Royal Group Trading Corp.
Gole Market, Near Pahalwan Di Hatii, Gandhi Nagar, Jammu …. Respondent(s)

Through: Mrs. Monika Kohli, Sr. AAG with
Ms. Nazia Fazal, Advocate for
R- 1 to 4.
Ms. Mehar Bali, Advocate vice
Mr. Ravinder Gupta, AAG for R-5.
Mr. D. C. Raina, Sr. Advocate with
Mr. Anuj Dewan, Advocate for R-6.
Mr. P. N. Raina, Sr. Advocate with
Mr. J. A. Hamal, Advocate for R-7.

WP(C) No. 1951/2026

1. Pritam Singh, Age 65 years
S/o Sh. Nathu Ram
R/o Bharat Garh, Papar, Nai Kali,
Tehsil Samba, District Samba. …. Petitioner(s)

Through: Mr. Z. A. Shah, Sr. Advocate with
Mr. J. I. Balwan, Advocate.

Vs.

1. Union Territory of Jammu and Kashmir
Through Commissioner/Secretary
Revenue Department
Civil Secretariat, Jammu and Kashmir
Jammu
2. District Magistrate, Jammu
3. Deputy Commissioner, Jammu
4. Excise Commissioner, UT of J&K, Rail Head Complex, Jammu
5. Excise and Taxation Officer
Excise Range South, Jammu
6. Excise Inspector, Excise Range,
South Jammu
7. Varun Gupta, S/o Lt. Arun Kumar
R/o 31 A/B Gandhi Nagar, Jammu …..Respondent(s)

Through: Mrs. Monika Kohli, Sr. AAG with
Ms. Nazia Fazal, Advocate for
R- 1 to 6.
Mr. Amit Gupta, Sr. Advocate with
Mr. Sumit Moza, Advocate for R-7.

CORAM: **HON'BLE MR. JUSTICE SANJAY PARIHAR, JUDGE**

JUDGEMENT

1. The present batch of petitions has been filed by the residents of the area, the successful bidder, and the owners of the premises in which the liquor vend at JMC Ward No. 20-D, Jammu, was operational. The controversy has led to the filing of six writ petitions. Before considering the merits of the respective cases of the parties, it would be appropriate to briefly advert to the facts and circumstances leading to the filing of the aforesaid petitions. The Government of Jammu and Kashmir, through the Office of the Excise Commissioner, J&K, has been issuing licences for retail liquor vends (JKEL-2) by way of e-auction on a yearly basis, commencing from 1st April of each year and ending on 31st March of the succeeding year.

2. In terms of the Excise Policy, retail vends are allotted as individual units on a yearly basis, whereby each licensed vend is authorised to sell J&K Special Whisky, J&K Country Liquor, and Indian Made Foreign Liquor, including imported foreign liquor, beer, wine, cider and RTD, under one roof. The bid is confined to the licence fee, and the licences are granted for the locations specified in the auction notice.

3. In terms of the prescribed eligibility criteria, a bidder should not be below 20 years of age, should be a domicile of the Union Territory of Jammu and Kashmir, and should possess immovable property, besides satisfying the other eligibility conditions prescribed under the Excise Act and the Rules/Policy framed thereunder. Every bidder is under an obligation to make his own arrangement for a shop/premises within the specified area, whether owned, leased or rented. In case the successful bidder is unable to arrange suitable premises at the notified location, he may arrange premises in an adjoining Municipal Ward/Council area or at another suitable location, as permissible under the Policy.

4. One of the conditions governing the grant of a vend licence is that a regular licence in respect of newly identified/selected premises shall be issued only after the issuance of a No Objection Certificate (NOC) by the concerned District Magistrate, who is required to convey clearance or otherwise in respect of the newly identified premises within a period of 15 days from the receipt of the application from the H-1 bidder. The Policy, however, makes it clear that, in order to ensure that no loss is caused to the Government revenue on account of delay in the issuance of such NOC, no fresh clearance is required in respect of premises selected in the bidding process where the liquor vend had remained operational during the previous year.

5. In the aforesaid backdrop, the liquor vend at JMC Ward No. 20-D, Jammu, for the financial year 2024-2025 was obtained by M/s Shashank Aggarwal, in whose favour the requisite licence was issued. For the financial year 2025-2026, the bid was successfully obtained by M/s Sanchit Mahajan, who was granted temporary licence bearing No.39696/015/2025-2026. The grant of the said temporary licence came to be questioned by the petitioners in WP(C) No. 735/2025, inter alia, on the ground that the residents of Gole Market, Gandhi Nagar, had submitted a representation to the Excise Commissioner objecting to the opening of the liquor vend, as the same was allegedly being operated without obtaining clearance from the District Magistrate. It was further alleged that the vend was situated in a residential area and its operation was detrimental to the interests of the residents of the locality. The petitioners also alleged that the operation of the vend was in violation of the earlier directions issued by this Court.

6. It was further alleged that the owner of the premises had, in violation of the municipal laws, converted the residential property into a commercial one and, therefore, no liquor vend could legally be permitted to operate therefrom. It was also pleaded that the premises in question were situated adjacent to Ganpati Food Junction (Nathu Sweet Shop), and, therefore, the opening and operation of the liquor vend were contrary to the provisions of the Excise Act as well as the applicable Excise Policy.

7. In the said petition, no interim direction was passed. The respondent-Excise Department, however, filed its objections contending, inter alia, that during the previous financial year, i.e., 2024-2025, the premises in question had already been used for running a wine shop and, therefore, in terms of Clause 2.3.8 of the Excise Policy, an NOC from the District Magistrate was not required where a liquor vend had already remained operational from the same premises during the preceding financial year. It was also the case of the respondents that several other shops and premises situated in the same complex were being used for commercial activities, to which the petitioners had raised no objection. It was further contended that the petitioners had failed to disclose infringement of any legal, fundamental or statutory right warranting interference by this Court in exercise of its writ jurisdiction. The writ petition was primarily founded on the plea that no NOC had been issued by the District Magistrate and that the premises from which the liquor vend was being operated belonged to the Housing Board and had originally been allotted in the name of one Madan Gopal. It was also alleged that the operation of the liquor shop was causing nuisance and disturbing peace and tranquillity in the locality on account of the conduct of intoxicated persons in the residential area.

8. While the aforesaid writ petition was pending consideration, the temporary licence granted in favour of Sanchit Mahajan was also called in question by four petitioners, claiming to be residents of the locality, by filing WP(C) No. 1106/2025. The petitioners therein raised substantially similar grounds, alleging that the liquor vend was being operated in violation of the Excise Policy and that the office of the District Magistrate had, in March 2025, conveyed to the Excise Commissioner that no clearance had been granted for opening the said liquor vend. The petitioners, therefore, assailed the grant of the temporary licence. During the pendency of the said writ petition, petitioner Nos. 1, 3 and 4 chose to withdraw from the proceedings, leaving petitioner No. 2, a retired IAS Officer, as the sole petitioner pursuing the writ petition.

9. In that petition also reply came to be filed by the Excise Department reiterating the stand which they had led in WP(C) No. 735/2025. In that petition also the status report was called by this Court in terms of order dated 23.05.2025 in response thereto the Excise Department had in para 4 of the Status report recorded as under:

> *"4. That it is submitted that the above said communication from the Office of the Deputy Commissioner, Jammu has been examined in the Department and it was found that the liquor vend in the name and style of M/s Shashank Aggarwal Wine Shop was operational last year at the premises without any objections from the inhabitants of the area and accordingly,*

the location was again notified for the grant and operation of liquor vend at the same location in J&K Excise Policy 2025-26. Moreover, there are also other liquor vends/commercial establishments operational in the same locality without any objections from any side, the liquor vend in question is operational in the same building housing other commercial shops/business establishment i.e. Nathu Sweet Shop (presently Ganpati Food Junction) and KFC. It is submitted that there are other liquor vends namely M/S Ansh Gupta Wine Shop, M/S Vishesh Gupta, Wine Shop and M/S Vaneet Singh Wine Shop at a distance of around 200 to 250 metres from the instant premises in the same land and the same ward, besides M/s Royal Group Trading Corp. Bar and Restaurant is operational in the same vicinity without any sort of objections from the inhabitants of the location. It is further submitted that para 2.3.8 of the J&K Excise Policy 2025-26 provides that no clearance of District Magistrate shall be required for the premises chosen by the H1 bidder where vends were operational in previous years. The JKEL-2 vend at the location has been granted strictly in accordance with the provisions of Excise Act, Excise policy and rules made thereunder. The relevant para 2.3.8 of the J&K Excise Policy 2024-25 is reproduced as under:

"The bidder shall make his own arrangement for a shop/premises in the specified area (owned/leased/rented). The bidder shall ensure that the premises selected/identified by him meet the requirements of the J&K Excise Act and rules/Notifications made thereunder, including directions by the Hon'ble Supreme Court of India in this regard and other competent courts(s) of law, if any, the Bidder shall apply for clearance of the premises from the District Magistrate after being declared as H1. The regular license on the newly identified/selected premises/shop shall be issued only after getting clearance from the District Magistrate concerned. The District Magistrate shall convey the clearance or otherwise of the newly identified premises within a period of 15 days from the receipt of application from the H1 bidder, in case of non-disposal of application, the premises shall be deemed to have been cleared by the District Magistrate.
However, in order to ensure against any loss of revenue to the Government, due to delays in operationalization of vends, no clearance of District Magistrate shall be required for the premises chosen by the H1 bidder where the vends were operational in previous years".

10. In the said petition, the licensee, Sanchit Mahajan, arrayed as respondent No. 5, also filed his reply, inter alia, contending that a wine shop being run in the name of M/s Ansh Gupta at Gole Market, Gandhi Nagar, is situated at a distance of about 15 metres from the residence of petitioner No. 2, yet the said petitioner has raised no objection to its operation. On the other hand, grievance has been raised against the liquor vend in question, which is situated at a distance of about 200 metres from his residence. It was further contended that petitioner No. 2 has raised no grievance against the aforesaid wine shop, which is allegedly being operated from a residential house bearing No. 63B-A/B, Gandhi Nagar, Jammu. It was further averred that the writ petition was nothing but a manifestation of proxy litigation instituted at the behest of competitors of the licensee who are engaged in the same business.

11. While the aforesaid writ petitions were pending consideration, the landlord, Jai Dev Kaalra, along with the licensee, Sanchit Mahajan also filed a writ petition No.234/2026 seeking, inter alia, issuance of a writ of certiorari for quashing the communication issued by the Additional Deputy Commissioner, Jammu, whereby, on 28.01.2026, the Excise Commissioner was informed about multiple complaints received from the residents of the locality regarding the functioning of the liquor vend being run by petitioner-Sanchit Mahajan. It was further communicated to the Excise Commissioner that the said liquor vend may be permitted to operate till the end of the financial year, but thereafter the said location should not be permitted to be used for operating the vend, keeping in view the complaints received from the residents as also the alleged illegality in operating a commercial wine shop in a residential area. In the said petition, this Court, vide order dated 07.02.2026, observed that since there was no imminent threat of closure of the petitioners' liquor vend, which was to remain operational for the auction period till the end of the financial year 2025-2026, no indulgence by this Court was warranted at that stage. In the said petition, one of the residents, namely, Varun Gupta, who is also a petitioner in WP(C) No. 735/2025, moved an application seeking impleadment as a party respondent, which application came to be allowed.

12. During the pendency of the aforesaid three writ petitions, the liquor vends, which had remained operational during the financial years 2024-2025 and 2025-2026, continued to operate till 31.03.2026. Thereafter, in terms of the Excise Policy applicable for the financial year 2026-2027, a fresh bidding process was undertaken, in which Pritam Singh, petitioner in WP(C) No. 637/2026, emerged as the successful bidder. He, however, was not permitted to operate the liquor vend from the premises in question in view of the communication dated 28.01.2026 addressed by the District Administration to the Excise Commissioner, which communication was also the subject matter of challenge in the writ petition filed by Jai Dev Kalra and another.

13. Pritam Singh, therefore, filed WP(C) No. 637/2026, assailing the legality of the communication issued by the Excise Department whereby, despite being the successful bidder, he was advised to identify alternative premises for running the liquor vend for the financial year 2026-2027. In the said communication, reference was made to the fact that the liquor vend had earlier been operated by M/s Sanchit Mahajan till 31.03.2026 and that the Deputy Commissioner, vide communication dated 28.01.2026 addressed to the Excise Commissioner, had conveyed that the wine shop should not be permitted to operate from the said location during the financial year 2026-2027. The successful bidder, Pritam Singh, accordingly sought issuance of a writ of certiorari for quashing the communication/order of the Excise Department, contending that the same was arbitrary, perverse and illegal. His principal contention was that since the liquor vend had remained functional at the same premises during the preceding financial years 2024-2025 and 2025-2026, no fresh NOC was required for operating the vend during the financial year 2026-2027. It was further pleaded that this Court had earlier observed that where a liquor vend had already been operationalised at the same location and continued to be run therefrom, no interference with its allotment for the subsequent year was warranted. It was also contended that other wine shops in the locality were functioning regularly and that, even in the connected petitions, the Excise Department had taken a stand that the area in question was predominantly commercial. Thus, according to the petitioner, the direction issued by the Excise Department requiring him to relocate the vend was contrary to law and inconsistent with the stand otherwise taken by the Department.

14. According to the petitioners, other liquor vends, namely, M/s Ansh Gupta Wine Shop, M/s Vishesh Gupta Wine Shop and M/s Vaneet Singh Wine Shop, are functioning within a distance of approximately 200–250 metres from the premises in question. Besides these, M/s Royal Group Trading Corp. Bar and Restaurant is also stated to be operating in the same vicinity without any objection from the inhabitants of the locality. It was, therefore, contended that the respondents, without taking into consideration the material fact that liquor vends had remained operational at the same location during the preceding financial years, initiated proceedings for relocation of the vend at the behest of persons having vested interests.

15. During the pendency of the aforesaid petitions, yet another OWP no.757/2026 came to be filed by certain residents, laying challenge to the functioning of licensees under JKEL-2 and JKEL-4 from premises situated at 90-A, Gandhi

Nagar, Jammu. The petitioners therein pleaded that both the liquor vends were situated in a residential area and that, under the Jammu Master Plan, the land use of the plot upon which the said premises stood had been earmarked as residential. It was further alleged that no NOC had been issued by the competent District Magistrate either during the previous financial year or during the current financial year and, therefore, the licences were being operated illegally and contrary to the applicable Rules and Excise Policy. In the said petition, the private respondents filed objections contesting the claims of the petitioners and, inter alia, alleged that the entire litigation had been orchestrated at the behest of Jai Dev Kalra and another.

16. Thereafter, yet another petition, being WP(C) 1951/2026 came to be filed by petitioner-Pritam Singh, questioning the action proposed against him on account of his inability to make the liquor vend operational within the stipulated period. In terms of the Excise Policy governing the bidding process, failure of a successful bidder to make the vend operational entails consequences, including forfeiture of the earnest money deposit and allotment of the vend to the H-2 bidder or its re-auction, as the case may be. Accordingly, the petitioner was called upon to show cause as to why his bid should not be cancelled and the vend put to re-auction or allotted in accordance with the Excise Policy, and further as to why his earnest money deposit should not be forfeited.

17. This Court, vide order dated 03.07.2026, directed the parties to maintain *status quo* with regard to the effect and operation of the impugned order dated 23.05.2026. In the said petition, Varun Gupta was also impleaded as a party respondent. Thus, all the six petitions arise out of a common controversy concerning the operation of the liquor vend from the premises belonging to petitioner-Jai Dev Kaalra. While certain residents of the locality have questioned the operation of the said vend, some of the residents have, subsequently, also laid challenge to the functioning of other liquor vends operating in the area.

18 . Ld. Senior Counsel appearing for the successful bidder, argued that the liquor vend had already remained operational from the premises in question during the financial years 2024-2025 and 2025-2026. He submitted that, even in the reply filed by the Excise Department, there is no assertion that the area in question is exclusively residential. On the contrary, several commercial establishments, including restaurants and other business establishments, are functioning in the immediate vicinity of the liquor vend. Thus, according to learned Senior Counsel, the very premise on which the respondents proceeded, namely, that the liquor vend was situated in a residential area, has no factual or legal foundation. It was further urged that the residents opposing the operation of the liquor vend for the financial year 2026-2027 are disgruntled persons who have initiated the proceedings at the behest of other competitors engaged in the same trade. According to him, in the event the liquor vend in question is not permitted to operate during the financial year 2026-2027, its business would naturally stand diverted to the competing liquor vends operating in the vicinity, thereby benefiting such competitors at the cost of the State exchequer

19. It was further contended that the entire exercise undertaken by the District Administration had commenced in March 2025, yet the liquor vend was never closed and continued to remain functional throughout the financial year 2025-

2026 without the Excise Department taking any action or directing its relocation. It was only after the vend was re-auctioned for the financial year 2026-2027 that the issue of relocation surfaced. According to learned Senior Counsel, such action smacks of arbitrariness, particularly when the H-1 bidder has been prevented from operating the vend despite having successfully participated in the auction process. It was further submitted that no legal or fundamental right of the residents had been infringed. Even otherwise, if the operation of the liquor vend in question was objectionable on account of its location, there was no justification for the residents to selectively acquiesce in the operation of similarly situated liquor establishments functioning merely a few metres away from their residences.

20. Learned Senior Counsel also assailed the communication dated 28.01.2026 addressed by the Additional Deputy Commissioner, Jammu, to the Excise Commissioner, J&K, as suffering from non-application of mind. According to him, the communication is inherently contradictory inasmuch as, on the one hand, it permits the liquor vend to continue operating for the financial year 2025-2026, while, on the other hand, it prohibits its operation from the same premises during the succeeding financial year.

21. Ld. Sr. AAG appearing for the Excise Department, on the other hand, submitted that in terms of the applicable Excise Policy, once a liquor vend had already been made operational and had remained functional during the preceding financial year, there was no requirement of obtaining a fresh NOC from the Deputy Commissioner. It was, however, submitted that the residents of the locality had strongly objected to the continuation of the vend from the said premises for the financial year 2026-2027. It was in the aforesaid backdrop that the successful bidder, Pritam Singh, was advised to relocate the liquor vend to alternative premises. Since he failed to do so, the Excise Department was constrained to issue a show-cause notice calling upon him to explain why his bid should not be cancelled.

22. Learned Senior Counsel appearing for the residents, however, contended that Clause 2.3.14 of the Excise Policy recognises the role of the local inhabitants and takes into consideration orders passed by the Courts. According to him, objections raised by the local residents are required to be duly considered and, where such objections are found sustainable, the liquor vend is required to be shifted to alternative premises within a period of 30 days, failing which the location may be put to re-auction in accordance with the Policy. It was further argued that the local inhabitants are stakeholders whose objections to the opening and operation of a liquor vend cannot be disregarded. The liquor vend in question, according to learned Senior Counsel, was being operated from residential premises in contravention of the Excise Policy. Merely because the owner of the premises had got the building compounded by the competent building authority would not, by itself, convert the residential premises into commercial premises.

23. It was further contended that the liquor vend was being operated from residential premises without requisite permission from the District Magistrate and, therefore, the Excise Department had rightly directed the successful bidder to identify an alternative location. According to the residents, objections had been raised since the year 2024, as the Housing Colony was designated exclusively for residential purposes. The operation of the liquor vend was alleged to be causing nuisance in the locality, particularly during the evening hours, making it difficult for women to move freely on account of the presence of intoxicated persons and the alleged increase in undesirable and criminal activities.

24. Learned Senior Counsel appearing for the residents also placed reliance upon the Division Bench judgment of this Court in *Balbir Singh and others v. State of J&K and others*, [OWP No.486/2017] contending that Rule 30 of the Excise Rules makes it obligatory to take into consideration the views/objections of persons residing in the locality where the licence is proposed to be granted. It was argued that merely because a licence had once been granted for a particular location would not mean that, for all times to come, the residents of the locality or other establishments referred to under Rule 30(5) would stand debarred from raising objections. It was further submitted that unless the Deputy Commissioner issued the requisite clearance, no such vend could legally be opened. According to learned Senior Counsel, since the vend had been functioning during the financial years 2024-2025 and 2025-2026 without permission of the District Magistrate, even the temporary licence issued by the Excise Department could not have been legally sustained.

25. Heard learned counsel for the parties and perused the record.

26. The liquor vend in question was allotted to petitioner-Pritam Singh in WP(C) No.637/2026, he having emerged as the successful bidder for the notified location through e-auction for the financial year 2026-2027. Ordinarily, therefore, the petitioner, being the successful H-1 bidder, was entitled to the consequential grant of licence to operate the liquor vend for the financial year commencing from 01.04.2026 and ending on 31.03.2027. The petitioner, however, was not permitted to operate the vend from the premises in question on account of the communication dated 28.01.2026 addressed by the Deputy Commissioner to the Excise Commissioner, whereby it was conveyed that the wine shop at its existing location should not be permitted to operate after expiry of the then current auction period, in view of the complaints received from the residents and the alleged illegality in operating a commercial wine shop in a residential area.

27. The contention that the wine shop is situated in an exclusively residential area does not appear to be borne out from the status report filed by the Excise Department pursuant to the directions of this Court. The status report records that the wine shop had already remained operational from the premises during the financial years 2024-2025 and 2025-2026. It further reveals that commercial establishments, including Nathu Sweet Shop, presently stated to be Ganpati Food Junction, and KFC, are operating in or around the same premises/locality. The record further indicates that other liquor vends, namely, M/s Ansh Gupta Wine Shop, M/s Vishesh Gupta Wine Shop and M/s Vaneet Singh Wine Shop, are functioning within a distance of approximately 200–250 metres from the premises in dispute and within the same general vicinity. Besides, M/s Royal Group Trading Corp. Bar and Restaurant is also stated to be operational in the same vicinity without any objection from the inhabitants of the locality.

28. In terms of the applicable Excise Policy, the H-1 bidder is required to obtain an NOC from the Deputy Commissioner where a new vend is sought to be made operational for the first time from newly identified premises. However, where the vend has already remained functional from the same premises during the preceding financial year, the Policy dispenses with the requirement of obtaining a fresh clearance. Viewed in this backdrop, the challenge raised by the residents to the operation of the vend and their opposition to the petition filed by the successful bidder, Pritam Singh, assumes significance in light of the plea of selective objection raised by the petitioners in the connected writ petitions.

29. It has been specifically pleaded that petitioner No.2 in WP(C) No. 1106/2025, who is stated to be residing at 63-A/B, Gandhi Nagar, has raised a grievance against the disputed vend situated approximately 200 metres from his residence, while no objection has been raised by him against M/s Ansh Gupta Wine Shop, which is stated to be situated at a distance of approximately 15 metres from his residence. Similarly, petitioner-Varun Gupta is stated to be residing at 31-A/B, Gandhi Nagar, and claims that his residence is situated adjacent to the disputed liquor vend. The pleadings further indicate that the shop from which the liquor vend had already been operating and from which it was proposed to operate during the financial year 2026-2027 opens towards the main road leading to Gole Market, Gandhi Nagar.

30. During the course of hearing, it was also pointed out that the character of the locality has substantially become commercial. This assertion finds support from the status report filed by the Excise Commissioner and also from the stand taken by respondent Nos. 6 and 7 in the connected petition, wherein they claim to be operating their establishments in accordance with Rule 30 and Section 47 of the Excise Act. They have also alleged that the challenge laid to their licences is actuated by business rivalry. Significantly, the licences granted to such establishments are stated to have been issued under the same statutory and policy framework under which the licence was proposed to be granted to the successful bidder in the present case.

31. Clause 2.3.8 of the Policy requires the bidder to make his own arrangement for the shop/premises in conformity with the J&K Excise Act and further requires the necessary clearance from the District Magistrate in respect of the premises. The proviso thereto, however, specifically dispenses with the requirement of such clearance where the premises had remained functional as a liquor vend during the previous financial year.

32. Pritam Singh participated in the auction process on the premise that the liquor vend at the notified location had remained functional during the preceding two financial years and that the same location had again been put to auction for the financial year 2026-2027. He emerged as the H-1 bidder for the said location. There is no dispute that the location had been identified and put to auction by the Excise Department under the applicable Excise Policy. The question that, therefore, arises is whether the Deputy Commissioner acted fairly and reasonably while communicating to the Excise Department that, on account of objections raised by the residents, the liquor vend should not be permitted to continue from the said premises.

33. The record indicates that the initial complaint was made in March 2025 by one Dinesh Verma. Significantly, the said complainant has neither instituted any proceedings before this Court nor sought to support the challenge in any of the connected petitions, notwithstanding the pendency of several petitions concerning the same liquor vend. The challenge laid to the vend by the petitioners in WP(C) Nos. 735/2025 and 1106/2025 does not appear to be wholly above board, particularly in view of the selective nature of the objections noticed hereinabove. The communication dated 28.01.2026 issued by the Deputy Commissioner also presents an apparent inconsistency. On the one hand, it permits the liquor vend to continue operating till the end of the financial year 2025-2026, while, on the other hand, it directs that the same premises should not be permitted to be used for the subsequent financial year.

34. The principal objection raised by the residents is that the liquor vend is situated in a residential area. If that yardstick is to be applied to the liquor vend in question, the same standard would necessarily have to be applied to similarly situated liquor establishments in the locality. No comparable objection, however, appears to have been raised against the other liquor vends operating in the vicinity. The assertion that the locality continues to retain an exclusively residential character is also not borne out from the status report of the Excise Commissioner, which indicates the existence of several commercial establishments in the area, including other liquor vends situated within a short distance of the premises in question.

35. Learned Senior Counsel appearing for the residents sought to distinguish the other establishments by contending that those shops are situated in the Gole Market area, whereas the disputed vend is situated in a residential pocket. The argument, though attractive at first blush, does not find sufficient support from the material placed on record. As noticed above, petitioner No.2 in WP(C) No. 1106/2025 is stated to reside approximately 200 metres from the disputed vend, whereas another wine shop, to which he has raised no objection, is stated to be situated considerably closer to his residence. The further contention that the operation of the liquor vend causes nuisance and that the Deputy Commissioner is, therefore, competent under Section 47 of the Excise Act to take appropriate action cannot be accepted in the abstract. It is undoubtedly within the domain of the competent licensing and statutory authorities to assess whether a licence ought to be granted, continued, suspended or otherwise regulated in accordance with law. At the same time, objections raised by residents must be considered objectively, uniformly and on the basis of relevant material. The residents cannot insist upon selective application of the statutory and policy framework to one establishment while remaining indifferent to other similarly situated establishments operating in the immediate vicinity.

36. The communication issued by the office of the Deputy Commissioner, which has become the genesis of the present litigation, appears to proceed substantially on the premise that the locality is residential in character. The material brought on record, however, indicates that several commercial establishments are operating in the locality. The decision-making process, therefore, ought to have taken into account the actual character and use of the locality and ought to have applied a uniform standard to similarly situated establishments.

37. The contention of the successful bidder that the shop opens towards the main road and not towards an internal residential lane is also a relevant circumstance. The apprehension that operation of the liquor vend would necessarily result in persons consuming liquor and creating nuisance on the road cannot, in the absence of supporting material, constitute the sole basis for denying the successful bidder the benefit of the auction. The existence of a bar and other liquor establishments in the same vicinity, against which no comparable objection has been shown to have been raised, further lends support to the plea that the objections against the disputed vend have been selective in nature.

38. One of the stated objectives of the Excise Policy, as reflected in Clause 1.7, is to tap the full potential of the existing liquor industry, promote ancillary industries, create avenues of employment and achieve digitisation of liquor manufacturing, distribution and sale from production to retail consumption. The Policy also seeks to provide consumers with a choice of legally permissible brands and places of consumption while ensuring a level playing field for all stakeholders. The Policy for the financial year 2025-2026 also seeks, inter alia, to rationalise the production and sale of J&K Special Whisky and J&K Country Liquor, curb illicit distillation and augment revenue in the Union Territory of Jammu and Kashmir. It is in furtherance of these objectives that retail liquor vends are put to auction on a yearly basis.

39. It is true that Rule 30 of the Liquor Licence and Sale Rules, 1984, was considered by this Court in *Balbir Singh and others v. State of J&K and others (supra)*, wherein it was held that the views of the authorities and establishments contemplated under the Rule, as also the objections emanating from the neighbourhood, are relevant considerations requiring due enquiry. Merely because a liquor vend has been permitted to operate at a particular place in a given year would not mean that, for all times to come, the residents of the locality or the establishments contemplated under Rule 30(5) stand precluded from raising legitimate objections. Equally, it is settled that the right to trade in liquor is not a fundamental right, but a privilege regulated by the State through the licensing regime. However, in the present case, the liquor vend had remained operational from the premises in question for two consecutive financial years, with the revenue and Excise authorities being fully aware of its operation. Moreover, under the applicable Policy, the successful bidder for the financial year 2026-2027 was not required to obtain a fresh NOC where the vend had remained operational from the same premises during the preceding financial year.

40. In such circumstances, Pritam Singh, having participated in the auction process for a location which had itself been notified by the Excise Department and having emerged as the H-1 bidder, could legitimately proceed on the basis that the vend could be operated from the premises from which it had been functioning during the preceding years, subject, of course, to compliance with the applicable statutory and policy requirements.

41. The *bona fides* of the objections raised by the residents have to be appreciated in the light of the selective approach noticed hereinabove. The communication dated 28.01.2026 issued by the Deputy Commissioner, Jammu, to the Excise Department does not appear to have been preceded by a comprehensive exercise examining the status of similarly situated liquor establishments operating in the locality. The record indicates that the matter had remained under consideration before the Deputy Commissioner since March 2025 on the basis of objections initially raised by one resident. There is nothing on record, as presented before this Court, to demonstrate that a representative objection from the residents of the locality as a whole had formed the basis of a comprehensive enquiry concerning all similarly situated establishments.

42. Objections appear to have been raised specifically against the vend in question without any corresponding challenge to other similarly situated liquor establishments. A holistic exercise by the District Administration, taking into consideration the number and location of liquor vend operating in Ward No. 20, particularly in the Gandhi Nagar area, and applying a uniform standard to all similarly situated establishments, would have lent greater objectivity and fairness to the decision-making process.

43. Petitioner-Pritam Singh, having emerged as the successful bidder in an auction conducted by the Excise Department, was entitled to fair and non-discriminatory treatment in accordance with the applicable Policy. The action of the revenue authorities in issuing the impugned communication, which ultimately prevented the Excise Department from permitting the successful bidder to operate the vend for the financial year 2026-2027, cannot be sustained when tested against the Policy and the material placed on record. Apart from its consequences for the successful bidder, the action also has a bearing on Government revenue and is capable of conferring an unintended commercial advantage upon competing establishments operating in the vicinity.

44. The conduct of the residents in selectively questioning the liquor vend in issue, while not raising comparable objections against similarly situated establishments, cannot be appreciated. Though this Court could have considered imposition of costs if it were established that the process of the Court had been invoked for an oblique or collateral purpose, taking a lenient view of the matter, no such costs are being imposed. The petitioners are, however, expected to exercise due care and responsibility while invoking the extraordinary writ jurisdiction of this Court. The approach adopted by the Excise Department also reflects an apparent inconsistency. On the one hand, the Department has supported the position that no fresh NOC was required for premises from which the vend had operated during the preceding financial year; on the other hand, it proceeded to issue a show-cause notice to the successful bidder proposing cancellation of his bid on account of his failure to make the vend operational, notwithstanding the fact that his inability to do so arose from the dispute concerning the very premises auctioned by the Department.

45. In view of the aforesaid discussion, **WP(C) No. 637/2026** is **allowed**. The communication dated 28.01.2026 bearing No.DMJ/Misc./2025-26/6124-28 issued by the Add. Deputy Commissioner, Jammu, is hereby quashed. Consequently, the **communication dated 06.03.2026** issued by the Excise Department on the basis thereof shall also stand **quashed**. The respondents to undertake the consequential process in favour of petitioner-Pritam Singh, who has been declared the successful H-1 bidder, and to permit him to avail the benefits of the bid to its logical conclusion in accordance with the J&K Excise Policy, 2026-2027. **WP(C) No. 1951/2026** is also **allowed** and the impugned **communication/order dated 23.05.2026** is hereby **quashed**. The Excise Department shall undertake the consequential follow-up action with regard to the liquor vend in accordance with law and the applicable Excise Policy.

46. **WP(C) No. 234/2026** is also **allowed** to the extent of challenge to the communication dated 28.01.2026, which stands quashed in terms of the findings recorded hereinabove. However, insofar as the petition relates to petitioner No.2, Sanchit Mahajan, is concerned the operation of the liquor vend for the financial year 2025-2026, the licence period having already expired, the petition to that extent has been **rendered infructuous**. Similarly, OWP 757/2026 too does not survive which along with WP(C) Nos. 735/2025 and 1106/2025 lack merits shall stand dismissed.

(Sanjay Parihar)
Judge

Jammu
20.08.2026
Rahul Sharma

Whether the judgment is speaking? : **Yes**
Whether the Judgment is reportable? : **Yes**