

**IN THE HIGH COURT OF JAMMU & KASHMIR AND LADAKH
AT SRINAGAR**

CM(375/2026) IN WP(C) 1406/2025

**CHANCHALA
SHARMA(SENIOR CITIZEN)**

...Petitioner(s)/Appellant(s).

Through: None

Vs.

**UNION TERRITORY OF J AND
K AND ORS.**

...Respondent(s).

Through: Mr. Hakim Aman Ali, Dy. AG for Rs. 3 and 4
Mr. M. Y. Bhat, Sr. Adv. with
Mr. Farooq Ah. Khan, Adv.
Mr. Sajid Ahmad, Adv. for Pvt. R. No. 5
None for Respondents 1 and 2.

CORAM:

HON'BLE MR. JUSTICE MOHD YOUSUF WANI, JUDGE

ORDER

09.02.2026

1. There is no representation in the matter on behalf of the petitioner. The previous order dated 30.12.2025 inadvertently reflects the name of Mr. M. Y. Bhat, learned Senior Advocate, with Ms. Urba Naseer, Advocate, as counsel for the petitioner, whereas, in fact, the said learned counsel represents the private respondent No. 5.
2. The subject matter of the dispute pertains to Shop No. 1 situated in Hotel Heemal Boulevard, Srinagar, owned by the J&K Tourist Development Corporation. It is the case of the petitioner that pursuant to an open auction conducted for the grant of a temporary licence for sale of

liquor, she emerged as the highest bidder, whereupon a temporary licence was issued in her favour for the location SMC-A, Srinagar, valid for the year 2024-2025. It is further stated that she was subsequently granted a licence for the said location for the year 2025-2026 as well. It is admitted by the petitioner, as per the averments made in the petition, that she obtained the disputed shop, i.e., Shop No. 1 at Hotel Heemal Boulevard Road, Srinagar, from private respondent No. 5, who was the duly licensed holder thereof, for the purpose of operating her aforesaid liquor licence. The petitioner further asserts that while she was operating her liquor licence in the said shop, she started facing interference from the official respondents with effect from the first week of April, 2025, on one pretext or another. It is alleged that although no plausible reason was assigned for such interference, it later transpired that the official respondents had revoked the licence in respect of the suit shop premises vide order dated 02.04.2025. The said revocation order was thereafter challenged by the licensee, i.e., respondent No. 5, before the appropriate forum by way of arbitration proceedings.

3. The private respondent No. 5, who is admittedly the licensee in respect of the suit shop premises was not

initially arrayed as a party to the petition. He came to be impleaded subsequently pursuant to his application bearing CM No. 7206/2025. The newly impleaded respondent No. 5 has contested the claim of the petitioner by asserting that he himself was operating the suit shop by using the liquor licence of the petitioner. On the other hand, it is the case of the petitioner that she, being a duly licensed holder for possession and sale of liquor, had obtained possession of the suit shop from respondent No. 5 on a rental basis, pursuant to an agreement executed between the parties on 07.08.2024.

4. Subsequent to the revocation of the licence earlier granted in favour of private respondent No. 5, the official respondents sealed the suit shop, which evidently constrained the petitioner to approach this Court by way of the instant writ petition. The private respondent No. 5 now contends that the petitioner has no subsisting right whatsoever in respect of the suit shop, inasmuch as the rent agreement dated 07.08.2024 was valid only for a period of nine months, i.e., from 08.08.2024 to 07.05.2025, and has since expired without any renewal or extension.

5. The private respondent No. 5 subsequent to the revocation of his license on 02.04.2025 by the official

respondents also approaches to the court of learned District Judge concerned by filing an application under Section 9 of the Arbitration Act seeking interim relief, which came to be declined. Aggrieved thereof, he challenged the said order dated 04.06.2025 of the Court of learned Additional District Judge, Srinagar, by way of an appeal, wherein an order of status quo in respect of the suit shop was passed vide order dated 18.06.2025. Similarly, an order of status quo in respect of the subject matter was also passed by this Court on 18.06.2025 in the present petition filed by the petitioner.

6. It is submitted by learned counsel appearing for private respondent No. 5, Mr. M. Y. Bhat, Senior Advocate, in open Court that in view of the arbitration clause contained in the lease agreement between respondent No. 5 and the official respondents, he had initiated proceedings for appointment of an arbitrator under Section 11 of the Arbitration and Conciliation Act. It is further submitted that the arbitration proceedings culminated in an award passed in his favour, wherein the learned Arbitrator, vide award dated 22.01.2026, held that the revocation order dated 02.04.2025 was illegal, invalid, and non-est in the eyes of law, and accordingly, set aside the same. That as a consequence

thereof, the allotment order whereby the suit shop, i.e., Shop No. 1 situated at Hotel Heemal Boulevard Road, Srinagar, which had been allotted in favour of the claimant/respondent No. 5 (PAN No. ALCPD1408L) on a rent basis in the year 2017, stood restored, along with his possession as a licensee in respect of the said shop till June, 2027, in terms of the arbitration award.

7. It is further submitted by the learned counsel for respondent No. 5 that the present petitioner had approached the learned Arbitral Tribunal seeking her impleadment in the arbitration proceedings, however, the said application was dismissed by the learned Tribunal vide order dated 28.01.2026 on the ground that the arbitral award had already been passed.

8. It is submitted by the learned counsel appearing for official respondents No. 3 and 4, Mr. Hakim Aman Ali, learned Deputy Advocate General, that the arbitral award dated 22.01.2026 is proposed to be challenged by the respondents, i.e., the J&K Tourism Development Corporation, by initiating appropriate proceedings before the competent court of law.

9. It is very needful to mention that the petitioner has filed a miscellaneous application bearing CM No. 7616/2025 in the instant matter i.e., WP(C) No.

1406/2025 with the prayer that the official respondents 3 and 4 be directed to allow her to remove the liquor stock from the sealed shop. It is, inter alia, mentioned in the said application at its para 6 that she is no more interested to run and operate the shop and will wait for its turn to obtain on lease the same as and when put on tenders and she presently wants to remove the items from the shop as the same are perishable in the nature being at the verge of expiry.

10. In the backdrop of the afore mentioned discussion, the instant petition appears to have been rendered infructuous and stands accordingly, ***disposed of***.

11. With regard to the liquor stock stated to be lying in the sealed shop, i.e., Shop No. 1 situated at Hotel Heemal Boulevard Road, Srinagar, the petitioner is permitted to approach official respondents No. 1 and 2, i.e., the Excise Department, Government of J&K, for removing the liquor stock from the said shop and for dealing with the same strictly in accordance with law and the rules governing the field. The official respondents 3 and 4 i.e., J&K Tourism Development Corporation, Srinagar, as also the private respondent No. 5 shall cooperate with the petitioner and the

official respondents 1 and 2 to the extent of removal of the stock from the said shop so that same is dealt with in accordance with law.

12. It is clarified that the order passed hereinabove is limited to the scope of the present petition, i.e., WP(C) No. 1406/2025, and shall not prejudice the rights of the parties in respect of any future development relating to Shop No. 1 situated at Hotel Heemal Boulevard, Srinagar. The law shall take its own course in that regard.

AA No. 04/2025

13. It is submitted by learned counsel for the appellant that in view of the arbitral award dated 22.01.2026 having been passed in favour of the appellant, he does not intend to pursue the instant appeal, which has, accordingly, been rendered infructuous. The appeal, therefore, also stands ***disposed of***.

(MOHD YOUSUF WANI)
JUDGE

SRINAGAR
09.02.2026
Sakeena-PS