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HIGH COURT OF CHHATTISGARH AT BILASPUR

WPC No. 3559 of 2026

1 - Vidya Devi Chauhan W/o Santosh Singh Chauhan, Aged About 57 Years
R/o. Mudhpar, Tehsil Khairagarh, Dist. Khairagarh-Chhuikhadan-Gandai
(C.G.).

... Petitioner(s)

Versus

- 1 - State of Chhattisgarh Through The Secretary, North Block, Sector - 19,
Commercial Tax and GST Bhavan, First Floor, Naya Raipur, Dist. Raipur
(C.G.)
- 2 - The Commissioner, Department Of Excise, North Block, Sector - 19,
Commercial Tax and GST Bhavan, First Floor, Naya Raipur, Dist. Raipur
(C.G.)
- 3 - The Collector, Bilaspur, Dist. Bilaspur (C.G.).
- 4 - The Assistant Commissioner of Excise (District Excise Office), Bilaspur,
Dist. Bilaspur (C.G.)

... Respondent(s)

(Cause-title taken from Case Information System)

For Petitioner	:	Shri N.Naha Roy, Advocate.
For State	:	Shri Praveen Das, Addl. Advocate General.

Hon'ble Shri Justice Ramesh Sinha, CJ

Hon'ble Shri Justice Ravindra Kumar Agrawal, J

Order on Board

09.07.2026

Per, Ramesh Sinha, CJ.

- 1 The petitioner has filed this petition seeking following reliefs:

“10.1 Issue an appropriate writ in the nature of mandamus and direct the respondents to release the bank guarantee submitted by her while allotment of work of operation of the premises associated with country made and foreign liquor shops, Takhatpur, Dist.: Bilaspur (CG) under a duly held tender process for the remaining period of the year 2025-26, i.e., from 08.07.2025 to 31.03.2026 as explained above, with appropriate interest as deemed fit by this Hon'ble Court.”

- 2 Brief facts of the case are that, the petitioner participated in a tender process for operation of Ahata beside the country-made and foreign liquor shop at Takhatpur, District Bilaspur for the period of the excise year 2025–26, i.e., from 08.07.2025 to 31.03.2026. Being the highest bidder, the petitioner was declared successful and an order was issued vide letter dated 07.07.2025. In terms of allotment, the petitioner deposited the requisite licence fee, furnished a bank guarantee and commenced operation of the allotted shop. The petitioner continued to operate the Ahata without any complaint from the respondents until issuance of a show cause notice dated 25.03.2026 alleging certain defaults. In response, the petitioner submitted a detailed reply explaining that due to the non-availability of a suitable premises she was unable to continue operation of Ahata. She also expressed her willingness to surrender the licence under Section 33 of the Chhattisgarh Excise Act, 1915, and requested adjustment of the security deposit towards the outstanding licence fee. To demonstrate bona fides, the petitioner deposited the licence fee for April, 2026, however, the respondents neither considered her request for surrender of the licence nor released the bank guarantee furnished by her, even though the inability to operate the Ahata was attributable to

circumstances beyond her control. Thus, aggrieved by the inaction on the part of respondents, the petitioner has approached this Court by filing the present writ petition.

- 3** Learned counsel for the petitioner submits that the petitioner was duly declared the highest bidder in the tender process for operation of Ahata adjoining to country-made/foreign liquor shop at Takhatpur and, pursuant to allotment dated 07.07.2025 she deposited the requisite licence fee, furnished the bank guarantee and commenced operation in accordance with the terms of the licence. The petitioner discharged all her obligations without any complaint until issuance of the show cause notice dated 25.03.2026. That, owing to the non-availability of a suitable premises, which was beyond the petitioner's control, she could not continue operating Ahata and, therefore, sought surrender of the licence under Section 33 of the Chhattisgarh Excise Act, 1915, requesting adjustment of the security deposit towards the outstanding licence fee. He would further submit that despite depositing licence fee for April, 2026 to establish her bona fides, the respondents neither considered her request for surrender nor released the bank guarantee. Therefore, a suitable direction may be issued to the respondent authorities in this regard.
- 4** On the other hand, learned State counsel opposes the submissions made by the counsel for the petitioner and submits that the petitioner was granted licence to run Ahata from 08.07.2025 to 31.03.2026 under certain terms and conditions and payment of licence fee and providing bank guarantee. He would submit that for last three months before her tenure come to an end, the petitioner failed to pay the requisite monthly

licence fee for the reasons best known to her. Thereafter, she herself moved an application on 30.03.2026 before the Assistant Excise Commissioner as also before the Collector, Bilaspur under Section 33 of the Chhattisgarh Excise Act, 1915 and surrendering her license due to non-availability of suitable premises and lack of infrastructure, she prays for release of security deposit/bank guarantee. He would further submit that for release of bank guarantee and/or security deposit, the licensee have to clear all the dues of licence fee, which the petitioner has not done. Thus, no relief can be granted to the petitioner at this juncture in the aforesaid factual scenario.

- 5 We have heard the counsel for the parties and perused the material annexed with the case.
- 6 The undisputed facts of the case reveal that the petitioner was granted a licence to operate Ahata adjoining to country-made/foreign liquor Shop at Takhatpur for the period from 08.07.2025 to 31.03.2026. It is also not in dispute that the petitioner herself submitted an application dated 30.03.2026 under Section 33 of the Chhattisgarh Excise Act, 1915 seeking surrender of licence on the ground of non-availability of suitable premises and lack of infrastructure. The record further shows that the petitioner admittedly failed to deposit the licence fee for the relevant period and the outstanding dues remained unpaid.
- 7 The prayer of the petitioner is essentially for release of security deposit/bank guarantee. However, in terms of the licence conditions, the security deposit or bank guarantee cannot be released unless all outstanding licence dues are cleared. Admittedly, the petitioner failed to discharge the outstanding liability towards licence fee for last couple of

months before the contract/agreement period came to end. The reasons assigned by the petitioner for inability to continue the business may be relevant for seeking surrender of the licence, but the same do not absolve her of the contractual and statutory liability to pay the licence fee in accordance with terms of the licence.

- 8** Thus, the petition being devoid of merit deserves to be and is hereby **dismissed**. However, the petitioner is at liberty to avail appropriate remedy available to her under the provisions of law.

Sd/-
(Ravindra Kumar Agrawal)
Judge

Sd/-
(Ramesh Sinha)
Chief Justice

inder