



CNR: KAHC010521732026

NC: 2026:KHC:50395
WP No. 23300 of 2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 16TH DAY OF SEPTEMBER, 2026

BEFORE

THE HON'BLE SMT. JUSTICE LALITHA KANNEGANTI

WRIT PETITION NO. 23300 OF 2026 (EXCISE)

BETWEEN:

1. SRI RAMACHANDRA Y.B..
S/O LATE BORAIAH Y.
AGED ABOUT 50 YEARS,
R/O YATTAGADAHALLI VILLAGE,
KOTHATHI HOBLI, GUTHALU POST,
MANDYA TALUK,
MANDYA DISTRICT-571 403.
2. SRI NAGALINGA,
S/O SHARANABASAPPA. M.,
AGED ABOUT 44 YEARS,
R/O NO. 10, MARTHAND NILAYA,
1ST CROSS, GUNDAPPA ROAD
NAGASHETTY HALLI,
BANGALORE-560 091.

...PETITIONERS

(BY SRI. PRAMOD R.,ADVOCATE)

AND:

1. THE SECRETARY,
GOVERNMENT OF KARNATAKA,
DEPARTMENT OF EXCISE,
AMBEDKAR VEEDHI,
VIDHAN SOUDHA,
BANGALORE-560 001.



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2. THE UNDER SECRETARY,
GOVERNMENT OF KARNATAKA,
FINANCE DEPARTMENT (EXCISE),
VIDHANA SOUDHA,
AMBEDKAR VEEDHI,
BANGALORE-560 001.
3. THE ADDITIONAL COMMISSIONER, (HQ AND 1),
THE STATE EXCISE DEPARTMENT,
OFFICE OF THE EXCISE COMMISSIONER,
2ND FLOOR T.T.M.C A BLOCK,
B.M.T.C. BUILDING,
SHANTHINAGAR,
BANGALORE-560 027.
4. THE DEPUTY COMMISSIONER
(REVENUE), MANDYA DIVISION,
MANDYA-571 401.
5. THE DEPUTY COMMISSIONER
OF EXCISE AND DISTRICT NODAL OFFICER FOR
E AUCTION, MANDYA DISTRICT,
MANDYS-571 401.

...RESPONDENTS

(BY SMT. PRATHIMA HONNAPURA., AAG A/W
SRI. MANJUNATH K., HCGP)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO ANNEX-E OFFICIAL GAZETTE PUBLISHED BY THE R1 THE SECRETARY GOVERNMENT OF KARNATAKA BEARING NO. FD 52 EFL 2025 DATED 19.12.2025 FOR E AUCTION OF THE LICENCE IN SO FAR AS THE PETITIONERS CL-2 LICENCE BEARING NO. EC20220702368, SHOP NO. D4/464/A/2866/A AND ETC.

THIS PETITION, COMING ON FOR ORDERS, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE SMT. JUSTICE LALITHA KANNEGANTI



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ORAL ORDER

The present petition is filed seeking the following prayer:

"a) Writ of Certiorari Quashing Annexure "E" official Gazette Published by the 1st Respondent the Secretary Government of Karnataka bearing Number FD 52 EFL 2025 dated 19.12.2025 for e auction of the Licence in so far as the Petitioners CL-2 Licence bearing Number ES20220702368, Shop No D4/464/A/2866/A.

b) Writ of Mandamus directing the 6th respondent the Deputy Commissioner of Excise Mandya to renew the C.L-2 Licence bearing Number ES20220702368, Shop No D4/464/A/2866/A, of Mandya District, Mandya

c) Grant such other relief/ reliefs as this Honourable court thinks fit in the circumstances of the cases in the interest of justice and equity."

2. It is stated that the petitioners herein are the partners of the Firm known as M/s.Marthanda Enterprises, which was constituted under the partnership deed dated 15.12.2010, and they have obtained a CL-2 license in the name of the Firm. There being a dispute between the petitioners as regards to the continuation of the business, each of the petitioners made several allegations against each other. The first petitioner had got the order from the Karnataka Appellate Tribunal. In view of



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the disputes between the parties to run the business, the second petitioner filed WP No.23306/2021 challenging the order dated 08.12.2021 passed by the Karnataka Appellate Tribunal (for short KAT). The said petition has been disposed of setting aside the order of the KAT dated 08.02.2023. In the meanwhile, the civil dispute between the parties had been compromised and the compromise decree has been passed. Thereafter, the petitioner has given a representation to the respondent No.6 with list of licences which were listed for auction and the respondent No.6 has given an endorsement that the petitioner's licences are also listed for e-auction. It is stated that the petitioners have given the representation to respondent No.6 to give permission to renew the licence on 24.07.2026 and the same was not granted since the licence of petitioners has been listed for E-Auction. Aggrieved by the same, the petitioners are before this Court.

3. Learned counsel appearing for the petitioners submits that, as per Rule 17-B(3) of the Karnataka Excise Licences (General Conditions) Rules, 1967, when the partnership firm is reconstituted as per the compromise decree



and representations are made to the respondents to renew the license, the respondents must consider them. He also draws the attention of this Court to paragraph Nos. 12, 13, and 14, and to para (b) of the operative portion of the order passed by the Co-ordinate Bench of this Court in WP No. 23306/2021 dated 08.02.2023.

"12. In the present case, the plaintiff in a suit for dissolution of a firm, in my considered opinion, cannot seek for renewal of a licence and continuance of the business while the suit filed by him for dissolution of the partnership is pending. Hence, this particular fact ought to have been taken into consideration by respondent No.1 as also the KAT which has not been done.

13. Respondent No.1 has infact passed an order approving the renewal of the licence on the ground that the State Exchequer would suffer which cannot be a ground for renewal of the licence of a private party. The State cannot seek to try and protect its own interest of revenue when two of the partners are involved in litigation. The said observation made by the Excise Commissioner is completely untenable.

14. In view of the fact that suit for dissolution of the firm has been filed, at the most, after the dissolution takes place, it would have to be adjudicated by the Court seized of O.S.No.363/2020 as to in whose favour the licence has to be transferred or to whose share it would fall. Until then, there would be no purpose in continuing the said licence or renewal of the licence.



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b. The licence In question bearing No.ES20200626675 issued in the name of Marthanda Enterprises by the respondent No.1 shall be kept in abeyance and no person shall be permitted to make use of the said licence pending the resolution of the suit in O.S.No.363/2020 by Civil Judge (Jr.Dn.) at Mandya."

4. Relying upon the same, it is submitted that the respondents are duty-bound to consider the case of the petitioners in the light of the orders passed in WP No. 23306/2021, and that the license cannot be auctioned.

5. Learned AAG appearing on behalf of the respondents submits that the license itself expired in the year 2022-2023, and the question of renewing the license could not arise. It is submitted that the order passed by the Coordinate Bench of this Court pertains to the rival parties or the partners in the said Firm. She has relied on Rule 17-B(3) of the Karnataka Excise Licences (General Conditions) Rules, 1967, and submits that the reconstitution must be brought to the notice of the authorities within 45 days from the date of that reconstitution. In this case, the compromise was made on 24.07.2026, and it is submitted that, to date, no application is



made bringing it to the notice of the respondents. As such, the petitioners' case cannot be considered. However, she does not deny the fact that the license of the petitioners, though it was listed for auction, nobody has bid for the same, and the same is available.

6. Having heard the learned counsel for the petitioner and learned AAG for the respondents, perused the material on record. There is no dispute about the fact that the petitioners' partnership firm, as it was earlier, was having the license. In view of the disputes between them, they approached this Court by filing WP No.23306/2021, and an order was passed wherein the Court recorded its observations regarding the powers of the department, noting that an order approving the renewal of the license on the ground that the State Exchequer would suffer cannot be a ground for renewal of the license of the private party. The State cannot seek to protect its own interest in revenue when two of the partners are involved in litigation. The Court also observed that the suit for dissolution of the firm has been filed, and at the most, after dissolution takes place, it would have to be adjudicated. The Court seized of OS No.363/2020 as to in whose favor the license has to be



transferred or to whose share it would fall. Until then, there would be no purpose in continuing the said license or in renewing the license. The order makes it clear that the issue with regard to the license can be considered once the suit is disposed of. Admittedly, this order passed by the Coordinate Bench of this Court is not questioned by the State.

7. In those circumstances, Rule 17-B(3) Karnataka Excise Licences (General Conditions) Rules, 1967 gives the power to the respondents to renew the license or to impose the fine if the application is not made within 45 days from the date of reconstitution of the partnership deed.

8. Hence, this Court is of the view that the petitioners shall submit an appropriate application to the respondent, and the respondent shall consider the same in accordance with the law, as per the powers conferred under Rule 17-B(3) of the Karnataka Excise Licences (General Conditions) Rules, 1967.

9. In that view of the matter, this Court is passing the following:



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ORDER

- i. Accordingly, the writ petition is ***disposed of***, reserving liberty to the petitioners to file an appropriate application under Rule 17-B(3) of the Karnataka Excise Licenses (General Conditions) Rules, 1967, within one week from the date of receipt of the certified copy of this order.
- ii. The respondents shall consider the application strictly in accordance with the law and in light of the order passed by the Coordinate Bench of this Court in WP No. 23306/2021, disposed of on 08.02.2023.
- iii. All I.As. in this petition shall stand closed.

**SD/-
(LALITHA KANNEGANTI)
JUDGE**