



2026:UHC:1099-DB

IN THE HIGH COURT OF UTTARAKHAND
AT NAINITAL

HON'BLE THE CHIEF JUSTICE SRI MANOJ KUMAR GUPTA
AND

HON'BLE SRI JUSTICE SUBHASH UPADHYAY

17TH FEBRUARY, 2026

SPECIAL APPEAL No. 33 OF 2026

Anheuser Busch InBev India Limited.

..Appellant

Versus

Maa Sheetla Distributors Private Limited and others.

...Respondents

Counsel for the appellant. : Mr. Kavin Gulati, learned Senior Counsel
assisted by Mr. Abhay Chattopadhyaya and
Mr. Rohit Arora, learned counsel.

Counsel for respondent no. 1. : Mr. Shobhit Saharia, learned counsel.

Counsel for respondent nos. 2 & 3. : Mr. C.S. Rawat, learned Chief Standing
Counsel for the State of Uttarakhand.

JUDGMENT : (per Shri Manoj Kumar Gupta, C.J.)

1. Heard Shri Kavin Gulati, learned Senior Counsel assisted by Shri Abhay Chattopadhyaya, learned counsel for the appellant, Shri Shobhit Saharia, learned counsel for respondent no. 1 & Shri C.S. Rawat, learned Chief Standing Counsel for the State of Uttarakhand/ respondent nos. 2 & 3.

2. The present intra-court appeal is directed against the order of learned Single Judge dated 08.01.2026 passed in Writ Petition (M/S) No. 51/2026, whereby the learned Single Judge, while entertaining the aforesaid Writ Petition filed by respondent no. 1 (hereinafter referred to as the 'petitioner'),



challenging a notice dated 10.12.2025 issued by the In-charge Excise Officer, has restrained the respondents from taking any further action on basis thereof, and has issued various other directions also. The operative part of the order of the learned Single Judge dated 08.01.2026 is as under :-

“11. Until further orders, the Official-respondents are restrained from taking any further action on the impugned notice dated 10.12.2025, annexure no. 1 as well as on the application of respondent no. 3 dated 10.11.2025. Simultaneously, during this period Official-respondents are directed to take decision on earlier notice dated 27.10.2025, issued by the Excise Commissioner, which is annexed as Annexure 19, and place before this Court the decision as such on the next date.”

3. The order of the learned Single Judge aforesaid dated 08.01.2026 was challenged by the appellant (respondent no. 3 to the Writ Petition) before the Supreme Court by filing Special Leave to Appeal (C) No(s). 3077/2026. The Supreme Court, by order dated 23.01.2026, declined to interfere with the impugned order, in view of availability of the remedy of intra-court appeal to the appellant herein. The Supreme Court, however, observed that, since the order of this Court, impugned before the Supreme Court, *prima facie*, affects valuable rights of the appellant, therefore, in case any appeal is preferred by the appellant, the same shall be considered on merits. The order of the Supreme Court dated 23.01.2026 is as follows :-

“1. In view of availability of an intra-court appeal before the High Court of Uttarakhand, we are not inclined to



interfere with the impugned interim order of the High Court; hence, the special leave petition is dismissed.

2. If an appeal is preferred, the same shall be considered on merits. We make this observation because the impugned interim order does, prima facie, seem to affect a valuable right of the petitioner.

3. Pending application(s), if any, shall stand disposed of.”

4. The appellant, thereafter, filed the instant intra-court appeal, and, in view of the directions issued by the Supreme Court, it has to be decided on merits.

5. The appellant-company is engaged in the business of brewing, packaging, distributing, marketing and selling of alcoholic and non-alcoholic beverages in India. By an agreement dated 20.03.2021, between the appellant and the petitioner, the petitioner was appointed as distributor for four brands of beer manufactured by it for the State of Uttarakhand. The said agreement was for a period of 12 months. According to the appellant, the Distributor Agreement was extended from time to time, on basis of addenda(s) executed between the parties. There exists a BWFL-2B license in the name of the petitioner, and which is valid up to 31st March, 2026. There is dispute between the parties, as to whether the said license is exclusively in the name of the petitioner, or it was a common license issued in favour of both the parties. In due course of time, it seems that the relationship between the appellant and the petitioner



got strained, on account of alleged non-fulfillment of the respective obligations by the parties, under the Distributor Agreement and the license. It is alleged by the appellant that the petitioner defaulted in complying with its financial obligations, as well as statutory compliances, in respect of VAT, Excise and other statutory levies, and for which, in view of the extant Excise Policy, the appellant-company was also threatened with evil consequences.

6. It appears that, in view of the ongoing dispute between the appellant and the petitioner, supplies and consumption of popular brands of beer of the appellant-company in the State also got affected, resulting in loss of revenue to the State Government also. Consequently, on 16.09.2025, respondent no. 3-the Excise Commissioner, Uttarakhand sent a joint notice to the appellant and the petitioner, highlighting the said fact. In the said notice, the Excise Commissioner, in order to make the appellant also accountable for the default, relied on Rule 21.4 of the Excise Policy Rules, 2025, which stipulates that *“the concerned manufacturing unit shall be responsible for the action taken by the duly authorized sellers in relation to the license and every work done by the authorized seller/ representative shall be deemed to be done by the manufacturing unit.”*



7. The notice cautioned the parties that, in case the situation is not remedied, then action would be taken by cancelling the license, as per Rules, and putting both the appellant, as well as the petitioner, in the blacklist, and debarring them from obtaining excise licenses.

8. According to the appellant, the petitioner still failed to make payment of the admitted outstanding dues towards the appellant-company and, consequently, the appellant invoked the bank guarantees furnished by the petitioner to the appellant, so as to liquidate its dues. The petitioner filed Writ Petition (M/B) No. 828/2025 before this Court, challenging the invocation of bank guarantees by the appellant. The said Writ Petition was got dismissed as withdrawn vide order dated 26.09.2025, with liberty to approach the Commercial Court, under Section 9 of the Arbitration and Conciliation Act, 1996. Thereafter, the petitioner filed Case No. 76/2025 before Commercial Court at Haldwani, under Section 9 of the Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Commercial Court, Haldwani for want of territorial jurisdiction, as, vide Clause No. 23 of the Distributor Agreement, the parties had agreed that Commercial Court, Bangalore alone would have jurisdiction for purposes of arbitration between them.



9. The petitioner, on 08.10.2025, filed another application under Section 9 of the Arbitration and Conciliation Act, 1996 before the Commercial Court, Bengaluru (registered as Com.A.A.No.439/2025). The petitioner alleged that the 2025 addenda was a result of fraud. The Arbitration Petition was ultimately dismissed by the Commercial Court, Bengaluru by order dated 14.10.2025.

10. The petitioner challenged the show-cause notice dated 27.10.2025, issued by respondent no. 3, by filing Writ Petition (M/S) No. 262/2025, but the said Writ Petition was dismissed by this Court by order dated 27.11.2025, observing that it is premature, as it was directed only against a show-cause notice.

11. According to the appellant, by a notice dated 06.11.2025, it terminated the Distributor Agreement between the parties. Thereafter, on 10.11.2025, the appellant filed an application before respondent no. 3, intimating him of the termination of the Distributor Agreement, and prayed for cancellation of existing BWFL-2B license, and for issuing new BWFL-2B license, exclusively in the name of the appellant-company, in pursuance of its online application dated 01.10.2025. As the prayer made in the application has



significance, in view of the contentions advanced on behalf of the appellant, the prayer made in the application is reproduced below :-

“a. the cancellation of existing B.W.F.L.2B License of Maa Sheetla Distributor Pvt Ltd (Anheuser Busch InBev India Ltd) (Application Ref No. UTK2025035501) valid up to 31.03.2026 on or after 21.11.2026; and

b. obtaining New B.W.F.L.2B License under ABI's name by expediting ABI's Online Application No. UTK2025040622 dated 01.10.2025.”

12. It appears that the In-charge Excise Officer-BWFL-2B, on basis of the application submitted by the appellant for cancelling the existing license in favour of the petitioner, and for grant of fresh license exclusively in its name, issued the impugned notice dated 10.12.2025 to the petitioner, requiring it to submit its reply, with regard to certain points mentioned in the letter accompanying the notice. This led to the filing of the Writ Petition by the petitioner, wherein the learned Single Judge has passed the order dated 08.01.2026, which is impugned herein.

13. Shri Kavın Gulati, learned Senior Counsel appearing for the appellant, has made various submissions, but the main submissions alone are being noted, in view of the order proposed to be passed.



14. The main contention of learned Senior Counsel for the appellant is that the learned Single Judge has gone beyond the reliefs prayed for in the Writ Petition. It is submitted that the Writ Petition was directed only against the notice issued to the petitioner, requiring it to submit its reply on the points flagged in the enclosed letter, and, at best, the same could have been quashed, but that would not result in rejection of any of the prayers made by the appellant, vide its application dated 10.11.2025. Consequently, the order of the learned Single Judge, restraining the department from taking any action on the basis of the application of the appellant, which also contained the prayer for grant of a new license, exclusively in its name, is beyond the relief claimed. It is submitted that the petitioner had made several attempts in the past to obtain injunction order against the appellant-company, but which has repeatedly been refused. It is alleged that, in such circumstances, the order of the learned Single Judge not only amounts to granting a relief, which was not prayed for, but to which the petitioner was not at all entitled to, particularly in exercise of the discretionary jurisdiction under Article 226 of the Constitution of India. In support of the said submission, it has also been submitted that, after issuance of the impugned notice dated 10.12.2025, which was impugned by the petitioner in the Writ Petition, the petitioner



filed an amendment application in pending C.A.A. No. 507/2025 before Commercial Court, Bengaluru, and along with which, another application under Section 9 of the Arbitration and Conciliation Act, 1996 was also filed, praying for mandatory injunction against the appellant, restraining it from discontinuing supply of goods to it, as per the Distributor Agreement and the addenda, and also for injuncting the appellant from appointing another distributor for the distribution of beer in the State of Uttarakhand till the dispute is adjudicated by the Arbitral Tribunal. It is stated that no such relief has been granted by the Commercial Court, Bengaluru to the petitioner till date. It is submitted that, in such circumstances, the relief granted to the petitioner, by the learned Single Judge, is wholly against the settled principles of law, and an *ex facie* illegal exercise of the discretionary jurisdiction under Article 226 of the Constitution of India.

15. It is further submitted that the learned Single Judge, while granting the interim order, has fixed the case in the week commencing 06.04.2026, meaning thereby that, despite the cancellation of the Distributor Agreement, and even after expiry of the life of the existing license on 31.03.2026, the prayer of the appellant, contained in its application dated 10.11.2025, would not be considered. It is submitted that the



Distributor Agreement, even if assumed to be in existence, and the license valid up to 31.03.2026, the same would not prevent the consideration of the request of the appellant-company, at least after the expiry of the validity period of the license, but in view of the interim order passed by the learned Single Judge, the same would not be possible. In other words, the submission is that, by means of the order passed, though interim, a final relief has been granted. It is further submitted that there was no material on record for the learned Single Judge to hold that the appellant and the Excise Department were hand in gloves.

16. Shri Shobhit Saharia, learned counsel appearing for the petitioner (respondent no. 1 herein), countering the aforesaid submissions, submitted that the license was not in the joint name of the appellant and the petitioner, but exclusively in the name of the writ petitioner. In order to buttress his submission, he has invited our attention towards the license, which, according to him, has been issued exclusively in the name of the petitioner, and name of the appellant has only been mentioned to indicate the name of the manufacturer, whose products were to be stored at the warehouse. He further contented that the notice dated 10.12.2025 was issued by In-charge Excise Officer, whereas



he has no power whatsoever to hold any inquiry on basis of the application of the appellant dated 10.11.2025. He also vehemently submitted that there was no direction to In-charge Excise Officer, by respondent no. 3, to hold any inquiry. The impugned notice dated 10.12.2025 was issued by the In-charge Excise Officer only on the direction of the Excise Officer, Nainital, who himself was not having any jurisdiction in the matter. It is, thus, contended that the impugned notice was wholly without jurisdiction, and, consequently, it gave rise to independent cause of action to assail the same by means of the Writ Petition. Learned counsel for the petitioner also contended that it was the appellant, which committed breach of its contractual obligations.

17. We have considered the rival submissions, and perused the material on record.

18. Indisputably, the relief claimed in the Writ Petition was for quashing the notice dated 10.12.2025, issued by the In-charge Excise Officer, on the ground that it is without jurisdiction, and for restraining the respondent-authorities from taking any coercive action against the petitioner's BWFL-2B license, stated to be valid up to 31.03.2026, or on the basis of the application of the appellant dated 10.11.2025.



19. At this stage, even if it is accepted that In-charge Excise Officer was not having jurisdiction to seek any information from the petitioner, and notice dated 10.12.2025, issued by him, was without jurisdiction, it would not have any adverse effect on the prayers made by the appellant, in its application dated 10.11.2025. It has also not been disputed before us that, after the appellant filed application dated 10.11.2025, the petitioner filed an amendment application in pending C.A.A. No. 507/2025, along with another application under Section 9 of the Arbitration and Conciliation Act, 1996 dated 17.12.2025, praying for grant of a mandatory injunction, directing the appellant to continue supplying goods, in terms of the Distributor Agreement dated 20.03.2021, extended by way of addenda dated 27.05.2022, 18.11.2024 & 26.08.2025, till the dispute between the parties is adjudicated by the Arbitral Tribunal. So far, no order of injunction has been granted in favour of the petitioner, on the basis of the said application.

20. The second part of the prayer in the Writ Petition, for restraining any action being taken on basis of the application of the appellant dated 10.11.2025, would result in compelling the appellant to continue the supplies to the petitioner, despite the fact that, on basis of the same prayer



made in the application, filed under Section 9 of the Arbitration and Conciliation Act, 1996, no relief has been granted to the petitioner so far. The said fact was also a material fact, which ought to have been disclosed in the Writ Petition, and which, if disclosed, would, in all likelihood, not have resulted in passing of the order by the learned Single Judge.

21. Learned counsel for the appellant has rightly submitted that the effect of the order of the learned Single Judge is that, despite the Distributor Agreement having been cancelled, and the validity period of the license being only up to 31.03.2026, even the second prayer of the appellant, for grant of a fresh license for the next year, would not be considered. The question, as to whether the appellant is entitled, as of right, to be granted fresh license for the next year, would be beyond the scope of inquiry in the present intra-court appeal, and, therefore, we desist from examining the said aspect, lest it may prejudice the parties.

22. The cause of action, for the petitioner to approach the writ Court, was issuance of notice dated 10.12.2025 by the In-charge Excise Officer, on the ground that it was alleged to be without jurisdiction. Even if, despite previous litigations, it is held to constitute an independent cause of action, it would



not entitle the petitioner to claim any further relief under the garb thereof, as were claimed, and granted by the interim order by learned Single Judge.

23. Learned counsel for the petitioner, during the course of hearing of the appeal, very fairly conceded to the above legal position. He submitted that he would be content, in case the notice dated 10.12.2025 is quashed, having been issued by In-charge Excise Officer, who was not competent to issue the same.

24. Shri Kavin Gulati, learned Senior Counsel for the appellant, submitted that the notice would not be without jurisdiction, as it was issued on the direction of respondent no.3, who is, admittedly, competent to consider the application of the appellant dated 10.11.2025. However, we could not find any material on record to indicate that the notice was issued on the direction of respondent no. 3. On the other hand, the notice itself recites that it was issued on the direction of the Excise Officer, Nainital, and not respondent no.3.

25. In such view of the matter, we agree with the submission of learned counsel for the petitioner that the notice



in question may not be strictly within the power of the In-Charge Excise Officer.

26. At this stage, Shri Kavin Gulati, learned Senior Counsel for the appellant, submitted that if the notice dated 10.12.2025 is being quashed, it may be clarified that it would, in no manner, affect the proceeding pending before respondent no. 3, on basis of the application of the appellant dated 10.11.2025.

27. Learned counsel for the petitioner submitted that he has no objection in case the said aspect is clarified.

28. Having regard to the above discussion, we quash the notice dated 10.12.2025, solely on the ground that it was not within the competence of the In-charge Excise Officer to issue the same. However, our order should not be construed as expression of any opinion, with regard to the maintainability of the application dated 10.11.2025, or any inquiry or action, that is required to be taken on basis thereof, by respondent no. 3. Respondent no. 3 shall be free to hold such proceedings, as may be warranted, and for such purpose, he shall also be free to seek whatever information, from whichever party, he deems fit.



29. Counsel for the parties have agreed that Writ Petition (M/S) No. 51/2026 may also be, accordingly, finally disposed of.

30. The instant intra-court appeal, and, resultantly, Writ Petition (M/S) No. 51/2026, stand disposed of accordingly.

31. All pending applications also stand disposed of accordingly.

MANOJ KUMAR GUPTA, C.J.

SUBHASH UPADHYAY, J.

Dt: 17th February, 2026
Rahul
RAHUL
PRAJAPATI