



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 17-06-2025

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THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

WP No. 11330 of 2025

and

WMP No. 12765 of 2025

M/s.Jasmine Recreation Club
Rep. by its Secretary Mr.Shiburaj.S.J,
Block-1, 8B, Shivani Apartment,
Thiruvanmiyur, East Coast Road,
Chennai-600 041.

Petitioner(s)

Vs

1.The Commissioner of Prohibition and
Excise,
Government of Tamil Nadu,
Ezhilagam, Kamarajar Salai,
Chepauk, Chennai-600 005.

2.Nalli Trust
Rep. by Krishna Dass,
General Manager, Having its Office At
No.9, Nageshwaran Road,
T.Nagar, Chennai.



Respondent(s)

WEB PRAYER

Call for records and quash the order passed by the 1st respondent in his proceedings No.K.Dis.No.P&E 2(4)/5619/2024 dated 28.02.2025.

For Petitioner(s): Mr.D.Baskar

For Respondent(s): Mr.E.Veda Bagath Singh
Special Government Pleader
For R1
Mr.V.Raghavachari
Senior Counsel
For Mr.A.Suresh For R2

ORDER

This writ petition has been filed challenging the impugned proceedings of the 1st respondent dated 28.02.2025, wherein the 1st respondent has directed the stoppage of supply of liquor and the temporary suspension of the Foreign Liquor (FL-2) license issued to the petitioner.

2. The case of the petitioner is that they entered into a lease agreement



with the 2nd respondent in the year 2018 for a period of five years. Subsequently,

on 07.12.2018, both the parties entered into a Supplementary Lease Deed,

whereby the period was extended to 30.12.2026.

3. The petitioner is utilising the property to run a bar after obtaining proper license from the competent authority and a No-Objection Certificate (NOC) from the 2nd respondent. On 24.05.2024, the 2nd respondent had sent a communication in the form of notice demanding a sum of Rs.76,67,571/- for non-payment of rental arrears for the period from July 2023 to May 2024.

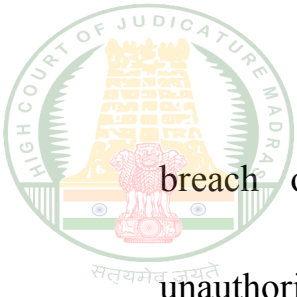
4. Subsequently, another notice was issued by the legal representative of the 2nd respondent demanding a sum of Rs.63,40,019/- towards the rental dues from October 2023 to May 2024. Another legal notice was issued by the 2nd respondent on 06.12.2024 demanding a sum of Rs.52,90,259/- towards rental arrears. The petitioner was also asked to vacate the premises within a period of one month, as the lease period had come to an end on 30.11.2023.



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5. The 2nd respondent also approached the 1st respondent, seeking for revocation of the NOC for running the Bar and cancellation of the FL2 license issued to the petitioner. The 1st respondent through the impugned proceedings dated 28.02.2025, directed the petitioner to resolve the dispute with the 2nd respondent and renew the lease agreement or, alternatively, find an alternative location before 31.03.2025, failing which the FL-2 license would be suspended and the supply of liquor from the Tamil Nadu State Marketing Corporation (TASMAC) depot would be stopped. Aggrieved by the same, the present writ petition has been filed before this Court.

6. The 2nd respondent has filed a counter affidavit. The 2nd respondent has taken a stand that the agreement entered into with the petitioner was terminated as early as on 27.09.2023 and that there are rental arrears to the tune of Rs.66 lakhs payable by the petitioner. It is further stated that no rents were received by the 2nd respondent from the year 2023 onwards and rent control proceedings have been initiated in RLTOP No.46 of 2025 which is pending before the Small Causes Court. The further stand taken by the 2nd respondent is that there was a



breach of contract and non-payment of rent and the petitioner was unauthorizedly occupying the property, and the 2nd respondent had sought for cancellation of NOC.

7. Based on the same, the 1st respondent passed the impugned order, which is being challenged by the petitioner. Under such circumstances, the 2nd respondent has sought for the dismissal of this writ petition.

8. Heard Mr.D.Baskar, learned counsel for the petitioner, Mr.E.Veda Bagath Singh, learned Special Government Pleader appearing on behalf of the 1st respondent and Mr.V.Raghavachari, learned Senior Counsel appearing on behalf of the 2nd respondent.

9. It is not in dispute that the petitioner was a tenant under the 2nd respondent and based on the earlier agreement, the petitioner was utilising the property for running a Bar and an FL-2 license was issued, enabling the petitioner to serve liquor supplied by the TASMAL in the Bar. The 2nd



respondent has terminated the tenancy and initiated proceedings before the

Small Causes Court, which is pending in RLTOP No.46 of 2025 and has sought

for the eviction of the petitioner.

10. Under such circumstances, the earlier No Objection Certificate (NOC) granted in favour of the petitioner for the FL-2 license, becomes questionable.

11. The issue in hand is no longer res integra and is covered by an earlier judgment of this Court. The first judgment that can be relied upon is in the case of ***S.Mohan Sambasivam vs. The Commissioner of Prohibition and Excise, Chepauk, Chennai*** reported in ***(1998) 1 CTC 573*** . The second judgment is that of the Hon'ble Division Bench of this Court in ***S.Ganesan vs. Assistant Commissioner Excise, Collectorate, Chennai and Another*** reported in ***(2000) 1 CTC 193***.



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12. The Hon'ble Division Bench after considering the entire law and issue, has held that in the absence of the continuation of the lease agreement and where the possession of the tenant has become litigious possession, the insistence for issuance of the license is unsustainable.

13. It was clarified that a tenant holding over or in juridical possession cannot be equated to that of a lawful possession, since juridical possession is a possession protected against wrongful dispossession, whereas lawful possession means possession permitted by the landlord to the tenant. Hence, the protection of law cannot enure in favour of the tenant whose agreement has been terminated and whose possession has become litigious by virtue of an eviction petition filed by the landowner.

14. In light of the above discussion, the impugned proceedings of the 1st respondent dated 28.02.2025, is perfectly in order and there is absolutely no ground to interfere with the same.



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15. The learned counsel for the petitioner submitted that by virtue of the interim order passed by this Court, the petitioner is continuing to occupy the property and some time is required to look for an alternative place. Insofar as the possession that is held by the petitioner, already Rent Control Proceedings are pending.

16. This writ petition confines itself only to the suspension of the FL-2 license and suspension of the liquor supply by TASMAL. Obviously, the authorities cannot extend the license or supply liquor from TASMAL when the very possession of the petitioner has become litigious.

17. Therefore, this Court cannot insist the authorities to extend the FL-2 license and also supply the liquor from TASMAL. Consequently, this request made by the petitioner cannot be countenanced.



18. In result, this Writ Petition stands dismissed. No costs. Consequently,

the connected Miscellaneous Petition is closed.

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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes

Neutral Citation: Yes/No

Jeni

To

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