IN THE HIGH COURT OF JUDICATURE AT BOMBAY, NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 6908 OF 2025

Rita Ravishankar Dube, Age: 48 years, Occ: Business,
R/o Hotel Dubeji Winebar, Wadki Road, Ralegaon,
Tahsil Ralegaon, District Yavatmal. **PETITIONER**

VERSUS

1. The State of Maharashtra, Through its Additional Chief Secretary, State Excise Maharashtra State, Mumbai.
2. The Commissioner of State Excise, Maharashtra State, Mumbai.
3. The Collector of Yavatmal, Tah. & Dist.Yavatmal. **RESPONDENTS**

Shri V.S. Undre, counsel for the petitioner.
Smt. S.V. Kolhe, Assistant Government Pleader for the respondents.

CORAM : PRAFULLA S. KHUBALKAR, J.
DATE : APRIL 16, 2026

ORAL JUDGMENT

RULE. Rule made returnable forthwith. Heard finally with consent of the learned counsel for the parties.

2. By this petition, the petitioner challenges the order dated 17.04.2025 passed by the Collector, Yavatmal-Licensing Authority cancelling the FL-III license of the petitioner and also the orders passed by the Appellate Authorities maintaining the order of cancellation of the license.

3. It is not in dispute that the petitioner was holding a license in the form of FL-III bearing License no.94 granted by the respondent no.3-Collector, Yavatmal for serving alcoholic beverages in the allotted licensed premises and to have possession of alcoholic beverages under the Bombay Foreign Liquor Rules, 1953. It appears that on 22.02.2025, the Inspector

of State Excise Flying Squad, Yavatmal visited the licensed premises of the petitioner and recorded following breaches:-

i. The FL-III Stock Register, FL-IIIA Brand-wise Register was maintained till 20.02.2025 and thereafter no entries were taken.

ii. Ravishankar Dube (husband of the petitioner) was present but his Naukarnama was not accompanied with the License.

iii. There was a deficiency in the liquor stock when counted and tallied with the liquor stock mentioned on 20.02.2025.

iv. So also, the Inspector found certain liquor bottles which were made in Goa and Madhya Pradesh in the house of the petitioner which contained 35 bottles of 2 Litres with Transport Permit and 13 Bottles of 1 Litre, apart from certain bottles of Oak Smith foreign liquor.

4. On the basis of the inspection report, it was observed that the petitioner with the help of her husband were making and selling duplicate liquor and therefore a crime was registered against them. On the basis of the inspection report dated 25.02.2025 of the Inspector of State Excise, Flying Squad, Yavatmal, the respondent no.3-Licensing Authority issued show cause notice cum suspension order from 28.02.2025 and suspended the petitioner's license till further orders. In response to the show cause notice, the petitioner submitted explanation with respect to the alleged breaches to the respondent no.3 and denied each of the allegations. Pursuant thereto, the respondent no.3, i.e. District Collector, Yavatmal, in exercise of powers under Section 54(1)(c) of the Bombay Prohibition Act, 1949 (for short, 'the Act') cancelled the FL-III license vide order dated

17.04.2025 mainly on the ground that the breaches are serious in nature and the petitioner's explanation was unacceptable. Feeling aggrieved by this order, the petitioner filed an appeal before the respondent no.2, which came to be dismissed by order dated 30.06.2025. Feeling aggrieved thereby, the petitioner filed revision application before the respondent no.1 which also came to be rejected by order dated 25.08.2025 and resultantly, the order of cancellation of license stood confirmed. The petitioner has challenged all the above orders by way of instant petition.

5. The primary submission of the learned counsel for the petitioner is that the alleged breaches under Sections 82 and 102 of the Act, are compoundable under Section 104 of the Act. He submitted that in view of the alleged breaches, at the most, the petitioner can be alleged to have evaded the excise duty on the bottles which were 'for sale in Goa and Madhya Pradesh'. He therefore submitted that the Authorities could have imposed penalty and could have compounded the offence under Section 104 of the Act. The impugned order cancelling the petitioner's license and shutting down the business is severely harsh punishment and by the impugned orders, the petitioner's entire business is stopped. He submitted that there were no other complaints against the petitioner regarding sale of any adulterated liquor and the alleged breaches deserved lenient view by imposing penalty against the petitioner.

6. The learned counsel for the petitioner placed reliance on the judgment of this Court in ***Dilip Sitaram Kale Versus The State of Maharashtra & Others*** **[Writ Petition no.1087 of 2018]**, dated 01.11.2018

which was decided by considering the judgment in ***Chandrapal N. Shetty of M/s Hotel Samrat Versus The Collector of Thane & Others*** [**Writ petition no.1989 of 1996**]. By relying on the view taken by this Court in the aforesaid judgment in similar facts, the learned counsel for the petitioner submitted that the punishment of cancellation of license is harsh and requires modulation by imposing penalty on the petitioner so that she could start her business.

7. By relying on its affidavit dated 23.02.2026, the learned Assistant Government Pleader for the respondents opposed the petition and submitted that the alleged irregularities are serious in nature and the orders of cancellation of license are based on the material available before the authority. She submitted that the petitioner has evaded the excise duty and therefore deserved severe punishment which is rightly imposed by the respondent-Authorities.

8. It has to be noted that the Licensing Authority as well as the Appellate and the Revisional Authorities have found that the explanation submitted by the petitioner in response to the show cause notice was not convincing. A perusal of the impugned orders also show that the Authorities have passed the orders on the basis of the inspection report of the Inspector of State Excise. As such, in view of the fact that several bottles which were for sale in Goa and Madhya Pradesh were found, there is no reason to disbelieve the report in that regard. However, it has also to be noted that the final order of cancellation of the license has resulted into the petitioner's business being shut down.

9. In view of the abovementioned factual aspects the main issue that arises for consideration is whether the punishment awarded to the petitioner about cancellation of FL-III license is harsh and requires modulation. This Court while deciding the identical cases in ***Dilip Sitaram Kale*** and ***Chandrapal N. Shetty*** (supra) has taken a view that imposition of penalty and composition fee would be adequate and cancellation of license was a harsh conclusion. By considering similar fact situation, this Court has relied on several other orders passed under similar circumstances and directed the petitioner therein to pay the composition fee and allowed the petitions. It is not in dispute that the petitioner's license was cancelled on 17.04.2025 and since there is no stay to the impugned orders, the petitioner's business is shut down. Although the learned Assistant Government Pleader does not dispute that the breaches alleged are compoundable, however submits that the impugned orders are justified and do not warrant interference on any count.

10. On giving anxious consideration to the above mentioned factual and legal aspects and on perusal of the orders, I am of the opinion that the punishment awarded on the petitioner, in the facts of the instant case, is harsh and requires to be modulated. Admittedly, the petitioner's business has been closed for almost a year and in my opinion this itself is sufficient punishment. Apart from this, it would be appropriate to impose penalty and composition fee as punishment in view of the breaches reported by the Inspector of State Excise.

11. Thus, having regard to the fact that the offences with which the petitioner is charged can be compounded and having regard to the entire facts of the case, it would be appropriate to direct the petitioner to pay Rs.50,000/- (Rupees Fifty Thousand) as composition fees in the Office of the Collector, Yavatmal within a period of three weeks from the date of uploading of this judgment. In addition, the petitioner shall pay Excise Duty on all the liquor bottles which were found in the licensed premises in accordance with the existing excise duty applicable. The said amount shall also be paid within a period of three weeks from the date of uploading of this judgment. The petitioner's license shall be deemed to have been suspended from 17.04.2025 till today. Accordingly, subject to the payment of excise duty and composition fee as referred above, the petitioner is permitted to apply for renewal of her license to the Licensing Authority. If an application for renewal of license is filed, the Licensing Authority is directed to expeditiously decide the application preferably within a period of four weeks from the date of submission of the application. The petitioner is also directed to pay the renewal fees, if any, to the concerned Authority and the Authority shall not charge any interest on the amount of renewal fees for the period from which license was suspended.

12. The writ petition is disposed of in aforesaid terms. Rule accordingly.

(PRAFULLA S. KHUBALKAR, J.)

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