



**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

(Sr. No. 110)

CWP No.9787 of 2025

Date of decision: 10.02.2026

M/s Kler Wines

.....Petitioner

Versus

Union Territory, Chandigarh Administration, Chandigarh and others

.....Respondents

CORAM : HON'BLE MR. JUSTICE DEEPAK SIBAL

HON'BLE MS. JUSTICE LAPITA BANERJI

Present : Mr. Gaurav Garg Dhuriwala, Advocate,
Ms. Shivi Jaiswal, Advocate and
Mr. Sachit Jaiswal, Advocate for the petitioner.

Mr. Sumeet Jain, Additional Standing Counsel,
for respondents No.1 to 4 - U.T., Chandigarh.

Ms. Tejaswini, Advocate for respondent No.5 – Municipal
Corporation, Chandigarh

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DEEPAK SIBAL, J. (Oral)

(1) Through the instant petition the petitioner seeks issuance of directions to the U.T. Administration, Chandigarh (for short - the Administration) to release the petitioner's bank guarantees furnished by it in connection with the allotment of three liquor vends for the excise year 2024-25 as according to the petitioner these bank guarantees are being illegally withheld because no dues are payable by the petitioner to the Administration.



(2) After hearing learned counsel for the parties, the following undisputed facts have emerged: -

(i) For the excise year 2024-25, the petitioner was allotted the following three liquor vends :

- a) LU-78 – Liquor Vend, Sector 61 Market, U.T., Chandigarh,
- b) LU-68 – Liquor Vend, Open Space, Opposite Kala Gram, U.T., Chandigarh,
- c) LU-75 – Liquor Vend, village Kajheri, U.T., Chandigarh.

(ii) In terms of the applicable Excise Policy the petitioner furnished with the Administration bank guarantees against the aforesaid three liquor vends for Rs.32,14,567/-, Rs.18,26,067/- and Rs.32,76,067/- respectively;

(iii) the petitioner operated the aforesaid three liquor vends for the excise year 2024-25;

(iv) no dues from the petitioner are payable towards the Administration and that

(v) the Administration is refusing to release the afore referred three bank guarantees furnished by the petitioner only on the ground that with regard to liquor licence LU-68, the petitioner was occupying a premises which was owned by the Municipal Corporation, Chandigarh (for short – the MC), for which rent had not been paid by the petitioner to the MC.

(3) The Administration and the MC are distinct entities, in fact and law. Admittedly, no amount is due from the petitioner to the Administration. Therefore, there is no justifiable reason for the Administration to withhold the release of the bank guarantees furnished by the petitioner to the Administration as these bank guarantees were furnished to secure only the Administration against any unpaid dues. It seems that the Administration is



withholding the release of the petitioner's bank guarantees only to arm twist it to clear its dues towards the MC which is legally impermissible.

(4) In the light of the above, we direct the Administration to forthwith release the petitioner's bank guarantees submitted by it at the time of allotment of the afore referred three liquor vends.

(5) If there are any dues payable by the petitioner to the MC, it would be open to the MC to initiate appropriate proceedings for its recovery against the petitioner, in accordance with law.

(6) Disposed of.

(DEEPAK SIBAL)
JUDGE

10.02.2026
sunil yadav

(LAPITA BANERJI)
JUDGE

Whether speaking/reasoned : Yes / No
Whether reportable : Yes / No