

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). OF 2026  
(@ SPECIAL LEAVE PETITION (C) NO(S). OF 2026)  
(@ DIARY NO.60095/2025)

STATE OF UTTAR PRADESH & ORS.

Appellant(s)

VERSUS

MAYOOR AHUJA

Respondent(s)

O R D E R

1. Delay condoned.
2. Leave granted.
3. These Civil Appeals arise against the judgment and order dated 23.04.2025 in WRIT-C No. 3684 of 2024 and 3683 of 2024 passed by the High Court of Judicature at Allahabad, Lucknow Bench.
4. Facts, to the extent that they are relevant are that the respondent was a CL-2 license holder for wholesale vend of country liquor in District Badaun and District Sambhal for the excise year 2020-21. On the basis of information regarding transportation of liquor, an inspection was carried out at the respondent's licensed premises, pursuant to which a report dated 04.03.2021 was prepared and a show cause notice dated 05.03.2021 was issued to the respondent alleging discrepancies including non-installation of signboard, shortage of 1980 packets, absence of CCTV cameras and fire safety equipment. The respondent submitted a reply denying the allegations. The Commissioner, Excise, by order dated 27.03.2021, held the respondent guilty of violating license conditions and consequently cancelled the license and forfeited the security

deposit. The Commissioner also relied on interception of the truck, statements of its driver and FIRs alleging illegal transportation, and also forged barcodes, all leading to loss to the State exchequer.

5. The revision filed by the respondent before the State Government was dismissed by order dated 23.02.2024. Aggrieved by the dismissal of the revision, the Respondent filed a Writ petition, which came to be allowed by order dated 23.04.2025, which is impugned before us. The High Court allowed the writ petition on the following grounds:

"12. A perusal of the license cancellation order in the context of the show cause notice reveals that the show cause notice was confined to four allegations as recorded above and were said to be in violation of Rule 16 (ka), (kha), (da) and (chha) of the Rules 2020. The five allegations levelled do not entail cancellation of license and are mere infractions, which are referable to the list of compoundable breach as mentioned in Clause nos.4, 5, 7 and 17 of the Rules. Even the other allegation with regard to the transportation of goods and the interception of the goods, which are carrying the goods of a Company and the statements made therein, no specific allegation was levelled against the petitioner so as to warrant the invocation of any of the clauses mentioned in Rule 16(1) which can lead to cancellation of the license.

13. It is also worthwhile to note that the order of cancellation, which records that there was a violation of condition no.4. The order records that the wholesale country liquor was to be supplied through pass P.D.-25A and the records thereof shall be kept, a finding was recorded that the goods were transported without a valid P.D.-25A, which was in violation of condition no.4 of the license. In terms of the show cause notice, there was no allegation levelled to that effect and thus, the finding is without any allegation in the

show cause notice or maligned to allege the same.

14. The impugned order further records that there was a violation of Condition No.10 of the condition of the license, which prescribes that the licensee shall prepare and issue computer generated transport pass in triplicate in the form prescribed by the Excise Commissioner in accordance with the provisions of Rule 11, in which name of the retailer, date of issue, purchased quantity and the consideration fee involved shall be entered, whereas the same was violated by the petitioner. The said reasoning is also bereft of any allegation levelled in the show cause notice and without there being any material either alleged or recorded in the impugned order.

15. The third reasoning for passing the cancellation order is the violation of Condition No.21, which prescribes that the licensee shall install active C.C.T.V. Cameras near opening gate and within godown of licensed premises which could easily be monitored from Excise Headquarters, which has been found to be violated in the case of the petitioner. The said allegation was also not even levelled in the show cause notice. In the absence of any allegation to that effect and there being any material to establish the violation on that count, the order impugned cannot be sustained.

16. The next reasoning recorded was that there was a violation of Condition No.23, which prescribed that the consignments of country liquor from distilleries of U.P. or BWCL-1 licenses of other states settled in Uttar Pradesh other states shall be transported only through the vehicle fitted with Global Positioning System (GPS). It was recorded that the petitioner has violated as he has received the liquor from the vehicle which did not have GPS. The said finding is also perverse and without there being any allegation in the show cause notice or any material whatsoever to allege and establish the violation against the petitioner and thus in absence of any allegation levelled in the show cause notice and without there being any material to allege and establish the contravention at the instance of the petitioner, the said order could not have been sustained."

6. It is evident from the above that the High Court was of the opinion that the cancellation order is based on certain trivial grounds. The High Court was also of the impression that the breaches are minor in nature, compoundable and do not warrant serious consequence of cancellation of license. Further, the High Court was also of the impression that the cancellation order travelled beyond the show cause notice. In this context the High Court was of the opinion that the respondent was not afforded full opportunity to represent his case. Even as we agree with the findings of the High Court with respect to the nature of the violation/offence and with the decision of the High Court that the order of cancellation is not legal, we are of the opinion that the High Court could have enabled the State to take such action as may be permissible in law. The order passed by the High Court has a consequence of immunizing the respondent from any action whatsoever. Accountability, particularly in the context of liquor license is important for effective regulation of liquor trade and distribution.

7. In this view of the matter we are of the opinion that the directions issued by the High Court is required to be modified to the extent of permitting the State to take appropriate action following the due procedure and complying with the principles of natural justice.

8. In view of the above, the appeals are allowed in part by permitting the appellant-State Government, to issue a fresh show cause notice and decide the case as per the procedure contemplated

under the Uttar Pradesh Excise (Settlement of Licenses for Wholesale of Country Liquor) Rules, 2002 (as amended). The observations made by the High Court in the order impugned shall not come in the way of the Excise Commissioner while passing appropriate orders.

9. Needless to say, the respondent will be afforded full opportunity and shall also be permitted to file such responses and documents as he may consider necessary in support of his case.

10. With these directions, the Civil Appeals stand partly allowed.

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

.....J.  
[PAMIDIGHANTAM SRI NARASIMHA]

.....J.  
[ALOK ARADHE]

NEW DELHI;  
APRIL 06, 2026

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

SPECIAL LEAVE PETITION (CIVIL) Diary No(s). 60095/2025

[Arising out of impugned final judgment and order dated 23-04-2025 in WRITC No. 3684/2024 and 3683/2024 passed by the High Court of Judicature at Allahabad, Lucknow Bench]

STATE OF UTTAR PRADESH & ORS.

Petitioner(s)

VERSUS

MAYOOR AHUJA

Respondent(s)

IA No. 35030/2026 - CONDONATION OF DELAY IN FILING

IA No. 35027/2026 - CONDONATION OF DELAY IN REFILEING / CURING THE DEFECTS

IA No. 35041/2026 - EXEMPTION FROM FILING O.T.

Date : 06-04-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE PAMIDIGHANTAM SRI NARASIMHA  
HON'BLE MR. JUSTICE ALOK ARADHE

For Petitioner(s) :Mr. Samar Vijay Singh, AOR  
Ms. Sabarni Som, Adv.  
Mr. Aman Dev Sharma, Adv.  
Mr. Keshav Mittal, Adv.  
Mr. Gaj Singh, Adv.  
Mr. Vikramaditya Chouhan, Adv.

For Respondent(s) :Mr. Vishwajit Singh, Sr. Adv.  
Mrs. Veera Kaul Singh, Adv.  
Mr. Pankaj Singh, AOR  
Ms. Ridhima Singh, Adv.  
Ms. Lakshita Handa, Adv.  
Mr. Ritam Tripathi, Adv.

UPON hearing the counsel the Court made the following  
O R D E R

1. Delay condoned.
2. Leave granted.
3. The Civil Appeals stand party allowed in terms of the Signed Order.

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

(KAPIL TANDON)  
COURT MASTER (SH)

(NIDHI WASON)  
ASSISTANT REGISTRAR

(Signed Order is placed on the file)