

*W.P.(MD)No.14245 of 2026 etc., batch*

**BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

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DATED: 20.05.2026

CORAM

**THE HON'BLE MR.JUSTICE D.BHARATHA CHAKRAVARTHY**

**W.P.(MD)Nos.14245, 14259, 14261, 14262, 14263, 14264, 14265, 14266, 14267, 14268, 14269, 14270, 14271, 14272, 14273, 14274, 14275, 14277, 14278, 14279, 14281, 14283, 14291, 14293, 14296, 14297, 14299, 14312, 14314, 14315, 14316 and 14317 of 2026**

**and**

**W.M.P(MD)Nos.10672, 10675, 10678, 10679, 10680, 10681, 10682, 10683, 10685, 10684, 10686, 10687, 10688, 10689, 10690, 10691, 10692, 10693, 10696, 10697, 10698, 10700, 10710, 10712, 10714, 10715, 10716, 10736, 10738, 10739, 10740 and 10741 of 2026**

**W.P.(MD)No.14245 of 2026**

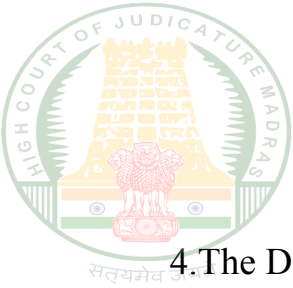
Rajesh Kannan

.. Petitioner

- Vs. -

-

- 1.The Secretary,  
Home, Prohibition and Excise Department,  
Secretariat, Chennai-01.
- 2.The Commissioner of Prohibition and Excise,  
Chepauk, Chennai-600005.
- 3.The Managing Director,  
Tamil Nadu State Marketing Corporation Limited, (TASMAC),  
CMDA Tower-II, 4<sup>th</sup> Floor,  
Gandhi Irwin Bridge Road,  
Egmore, Chennai.



*W.P.(MD)No.14245 of 2026 etc., batch*

4.The District Manager,  
Tamil Nadu State Marketing Corporation Limited (TASMAC),  
C-104, SIPCOT Complex,  
Thoothukudi, Thoothukudi District.

5.The District Collector,  
Thoothukudi District, Thoothukudi. .. Respondents

Prayer: Writ Petition is filed under Article 226 of the Constitution of India, praying this Court to issue a Writ of Mandamus, forbearing the respondents from the closure of the TASMAC shop in Shop No.10054 situated at Thoothukudi District till the expiry of the petitioner's existing lease period (i.e. upto 30.06.2026) or to refund the lease amount for the non-operating period by considering the petitioner's representation dated 16.05.2026 within the time limit fixed by this Court.

For Petitioner : Mr.H.Lakshmi Shankar  
for Mr.S.Vishnuvardhan

For Respondents : Mr.Vijay Narayanan  
Advocate General  
assisted by Mr.D.Ghandiraj  
Special Government Pleader for R1, 2 & 5

Mr.T.Gowthaman  
Additional Advocate General  
assisted by Mr.S.Sivaneshan for R3 & R4

### **COMMON ORDER**

All these writ petitions are connected to each other and, as such, are taken up and disposed of by this common order.

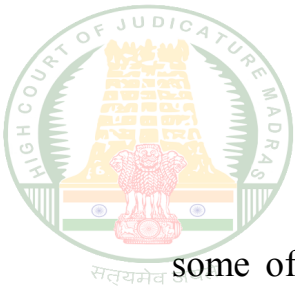


W.P.(MD)No.14245 of 2026 etc., batch

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2. The factual background in which these writ petitions arise is that, in exercise of its powers under the Tamil Nadu Prohibition Act, 1937 and the rules framed thereunder, the State of Tamil Nadu has monopolized retail liquor vending throughout the State. For that purpose, it has been establishing retail liquor vending shops through the State-owned corporation, namely, Tamil Nadu State Marketing Corporation Limited (TASMAC).

3. It is the contention of the petitioners that following a change of Popular Government, by way of a press release, an announcement was made that 717 retail liquor vending shops were to be closed. These petitioners have licences to sell snacks and water bottles and to collect empty bottles in the respective shops that are now being chosen and closed. The licence is awarded by a tender. The licence period is up to 30.06.2026. When the petitioners had legitimate expectations of carrying on their avocation up to 30.06.2026, the shops were suddenly and abruptly closed, without any opportunity or any proper written order. The petitioners were consequently ordered to shut the bars and close down their business. Under these circumstances, the petitioners have approached this Court. Apart from this,



W.P.(MD)No.14245 of 2026 etc., batch

some of the landlords who have let out their shops to run the TASMAC retail outlet are also before this Court.

4. The learned counsel for the petitioners would submit that Rule 8 of the Tamil Nadu Liquor Retail Vending (in Shops and Bars) Rules, 2003 (hereinafter Rules), prohibits shops from being located within 50 metres and 100 metres, respectively, in municipal areas and other areas, with reference to educational institutions, places of worship, etc. However, in contravention of the Rules, the Government has now decided to close shops up to a distance of 500 metres. Without amending Rule 8, this cannot be carried out. Further, without taking a proper decision, the entire process has been undertaken solely on the Hon'ble Chief Minister's announcement and the issuance of a press release. Therefore, through executive action, the same ought not to have been done.

5. It is their further contention that the selection of the shops for closure has not been properly carried out, and that some of the shops have been picked and chosen arbitrarily. The information on their location is also not recorded correctly, and the shops are being arbitrarily closed. Therefore, the petitioners pray that the respondents be prohibited from closing these

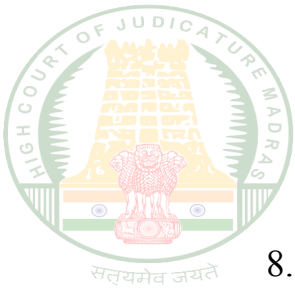


W.P.(MD)No.14245 of 2026 etc., batch

shops. In addition, the learned counsel appearing on behalf of the licensees also submits that some of them have paid the entire licence fee up to 30.06.2026. Therefore, when the licensees abruptly ended 40 days before, the proportionate fee had to be refunded to them.

6. Per contra, the learned Advocate General appearing on behalf of the State of Tamil Nadu would submit that the entire business of liquor sale is *res extra commercium*. The petitioners are not even licensees of the excise authorities. They are only permitted by TASMALC itself to sell snacks and water and to collect the empty bottles. As per licence condition No. 2, their activity will come to an end as and when the shop is closed. Only with that condition have the petitioners had become licensees. As far as the fee is concerned, it has to be paid on a month-on-month basis. Therefore, if only some of the petitioners have paid for June, the same should be considered. Otherwise, only for the month of May, for these ten days for which the shop is closed, if any extra is paid, the same has to be considered.

7. The learned Additional Advocate General appearing for TASMALC, would also draw the attention of this Court to the licence conditions. He would submit that the shops have been properly identified and are closed.



W.P.(MD)No.14245 of 2026 etc., batch

8. I have considered the rival submissions made and perused the material records of the case.

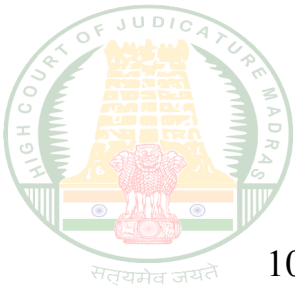
9. Article 47 of the Directive Principles of State Policy endeavours to bring about the prohibition of intoxicating drinks, except for medicinal purposes. Considering the right to carry on trade under Article 19(1)(g) and Article 47, and the constitutional scheme, the Hon'ble Supreme Court of India has categorised the business of selling, manufacturing, and distributing potable liquor as a beverage as *res extra commercium*, that is, outside ordinary commerce, because it is considered inherently injurious to public health and public welfare. Consequently, no citizen or any person can claim any unrestricted fundamental right to trade in liquor under Article 19(1)(g); the State may prohibit, monopolise, license, ration, regulate, or progressively reduce the liquor trade in furtherance of Article 47. Reference shall be made to the Judgment of the Hon'ble Supreme Court of India in ***Khoday Distilleries Ltd. V. State of Karnataka*<sup>1</sup>, *Nashirwar V. State of M.P.*<sup>2</sup> *Hari Shankar V. Deputy Excise of Taxation Commissioner*<sup>3</sup>.**

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1 (1995) 1 SCC 574

2 (1975) 1 SCC 29

3 (1975) 1 SCC 737



W.P.(MD)No.14245 of 2026 etc., batch

10. When the State monopolised the retail liquor vending business through TASMAL, the object was twofold. Firstly, if the same were licensed to a private person, they would make every effort to lure people to consume, and such practices would be stopped. Secondly, the revenue arising from this can be regulated and maximised for the State's purposes. With these two objects in mind, the State monopolised the sale of liquor in Tamil Nadu. When the shops are run by TASMAL and when the Government and TASMAL want to close down the shops, the petitioners, being the licensees only to sell snacks, or the landlords who let out their shops, can in no way compel the State to continue the shops. As a matter of fact, such a prayer is illegal and falls foul of the constitutional principles. Therefore, the prayer to continue these shops cannot be countenanced, and the prayer in these writ petitions, inasmuch as they pray to continue the shops, are straight away rejected.

11. A further argument is made with reference to Rule 8(1) of the Rules. Rule 8 (1) prohibits the location of shops within 50 metres and 100 metres, respectively. That does not deter or fetter the Government from following a broader principle, namely that shops with even greater distances, such as 100 meters or 500 metres, will also be closed. It is only a



W.P.(MD)No.14245 of 2026 etc., batch

welcome step and cannot be said to violate Rule 8(1). What is prohibited by Rule 8(1) is locating a shop within the prohibited metres, and Rule 8 does not prohibit closing the shop at a larger distance. Therefore, the argument is also flawed and, as such, is rejected.

12. As far as the contention relating to legitimate expectation and the procedural violation in the issue of the executive order is concerned, as stated supra, the trade is one related to liquor and, as such, is *res extra commercium*. Therefore, the Court will not consider the doctrine of legitimate expectation or other procedural violations as in ordinary commerce. When the business itself is considered harmful to public health and public welfare, any step towards closing the shop is only welcome, and the law leans in favour of upholding the said exercise and will not be set aside on procedural or technical grounds or on the ground of legitimate expectation of a person selling snacks and water.

13. As far as the licence fee is concerned, even under licence condition No. 1, it has to be paid month on month. Therefore, these petitioners would have paid for the entire month of May 2026. When the shop was closed prematurely before the end of the month, it goes without



W.P.(MD)No.14245 of 2026 etc., batch

saying that they will be entitled to a refund of the proportionate excess fee paid. If any of the licensees have also paid for the month of June in advance, the same amount should also be refunded to them. In this regard, since this writ petition is disposed of at the admission stage itself, the relief is moulded, directing the respondents to consider the individual representations of each of the licensees and pass orders thereon, specifically mentioning the excess amount and the refund, etc. Such orders in each individual case where the shop is being closed can be passed by considering the representations already made. If representations are not already made within one week from the date of receipt of the web copy of the order, fresh representations can also be made. The orders can be passed by the respondents within a period of three weeks thereafter.

14. In the result:

(i) The prayers made in these writ petitions to forebear the respondents from closing the shops or to continue the shops shall stand negatived;



W.P.(MD)No.14245 of 2026 etc., batch

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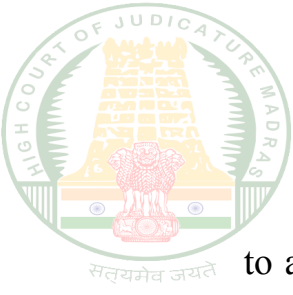
(ii) The individual representations of the licensees, namely, the persons licensed to sell snacks, water, and collect bottles, etc., shall be considered only with reference to the refund of excess fee, if any, collected, and final orders shall be passed;

(iii) If any of the licensees have not already made representations, they can also make representations within two weeks from the date of receipt of the web copy of the order;

(iv) Final orders relating to the refund shall be passed within a period of three weeks from the date of making such representation or the date of receipt of the web copy of the order without waiting for the certified copy of the order;

(v) With reference to the security deposit that is obtained from these licensees, the refund of the same shall also be considered and refunded as per the licence conditions;

(vi) As far as the landlords are concerned, their rights are determined as per the lease deed and claim, if any, with reference



W.P.(MD)No.14245 of 2026 etc., batch

to any damages or refund of advance, etc., has to be made before the appropriate civil Court. No costs. Consequently, the connected miscellaneous petition is closed.

20.05.2026

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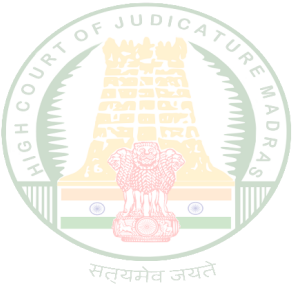
NCC: Yes

**Note: Registry is directed to type the respective cause titles of the respective orders and issue the certified copy of the order.**

To

- 1.The Secretary,  
Home, Prohibition and Excise Department,  
Secretariat, Chennai-01.
- 2.The Commissioner of Prohibition and Excise,  
Chepauk, Chennai-600005.
- 3.The Managing Director,  
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- 4.The District Manager,  
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W.P.(MD)No.14245 of 2026 etc., batch

**D.BHARATHA CHAKRAVARTHY, J.**

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