IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD
(Special Original Jurisdiction)

FRIDAY, THE TWENTY FOURTH DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE MRS JUSTICE SUREPALLI NANDA

WRIT PETITION NO: 13700 OF 2026

Between:

M/s. Bhargavi Gas Agencies (Indane LPG Distributor), Represented by its Proprietor, P. Hari Kishan, S/o. P.Anjaiah, Aged 64 years, Occ. Business, Office at premises No. 17-2-258/112/A, Kurmaguda, Saidabad, Hyderabad.

.....PETITIONER

AND

1. The State of Telangana, represented by its Principal Secretary, Civil Supplies Department, Dr. B.R. Ambedkar Secretariat, Hyderabad.
2. The Chief Rationing Officer, Civil Supplies Department, Hyderabad.
3. The Commissioner of Civil Supplies, Hyderabad.
4. The Additional Collector (Civil Supplies), Ranga Reddy District.
5. The Assistant Civil Supplies Officer, Malakpet Circle, Hyderabad.

.....RESPONDENTS

Petition Under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue a Writ of Mandamus, or any other appropriate Writ, Order or Direction, declaring the action of the 5th Respondent in conducting search and seizure panchanama dated 23.04.2026 and the impugned Proceedings No. 05/2026 dated 23.04.2026 issued by the 2nd Respondent suspending the Form-B License of the Petitioner as illegal, arbitrary, without jurisdiction and violative of Articles 14, 19(1)(g) and 21 of the Constitution of India and set aside the same.

I.A.NO:1 OF 2026

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the impugned Proceedings No. 05/2026 dated 23.04.2026 issued by the 2nd Respondent, suspending the Form-B License of the Petitioner.

I.A.NO:2 OF 2026

Petition Under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the 2nd and 5th Respondents to release the seized stocks of commercial LPG cylinders to the Petitioner, and to permit the Petitioner to continue its LPG operations without reference to the impugned proceedings and the search- cum- seizure panchanama.

Counsel for the Petitioner : SRI V.RAVI KIRAN RAO, SENIOR COUNSEL REPRESENTING SRI THOOM SRINIVAS

Counsel for the Respondents : GP FOR CIVIL SUPPLIES

The Court made the following ORDER

HON'BLE MRS. JUSTICE SUREPALLI NANDA

WRIT PETITION No.13700 OF 2026

DATED: 24.04.2026

Between:

M/s. Bhargavi Gas Agencies (Indiane LPG Distributor) ....Petitioner

And

The State of Telangana and Others ....Respondents

ORDER:

Heard Sri V. Ravi Kiran Rao, learned senior designated representing Sri Thoom Srinivas, learned counsel appearing on behalf of the petitioner and learned Government Pleader for Civil Supplies appearing on behalf of the respondents.

2. **The petitioner approached the Court seeking prayer as under:**

> "....to issue a Writ of Mandamus, or any other appropriate Writ, Order or Direction, declaring the action of the 5th Respondent in conducting search and seizure panchanama dated 23.04.2026 and the impugned Proceedings No. 05/2026, dated 23. 04. 2026 issued by the 2nd Respondent suspending the Form-B License of the Petitioner as illegal, arbitrary, without jurisdiction and violative of Articles 14, 19(1)(g) and 21 of the Constitution of India and set aside the same and pass...."

3. <u>The case of the petitioner in brief as per the averments made in the affidavit filed by the petitioner in support of the present writ petition is as under</u>:

The petitioner was appointed by Indian Oil Corporation Limited as an LPG distributor in the year 1995. On 22.04.2026, the 5th Respondent, along with the staff of the 2nd Respondent, conducted an inspection of the petitioner's gas agency, during which the 5th Respondent noted certain variations. Without considering the contemporaneous explanation offered by the petitioner's manager and without affording an opportunity to the petitioner to produce supporting transit records, the 5th Respondent concluded the panchanama by recording that the petitioner had contravened the Control Order.Subsequently, the 2nd Respondent passed the impugned proceedings vide Procs. No. 05/2026 dated 23.04.2026, without issuing any show-cause notice to the petitioner, in clear contravention of the principles of natural justice.

It is further the case of the petitioner that the Form-B licence was suspended by the 2nd Respondent solely on the basis of alleged variations in commercial LPG stocks, a subject matter over which the 2nd Respondent has no jurisdiction. The action of the respondents is in complete disregard of the interim

orders of this Court dated 31.07.2023, passed in W.P. No. 20296 of 2023.Hence, the petitioner has approached this Court by filing the present Writ Petition.

4. PERUSED THE RECORD

A. The impugned proceedings No.05/2026, dated 23.04.2026 passed by the Chief Rationing Officer, Hyderabad i.e., 2nd respondent is extracted hereunder:-

Vide read above, the Assistant Civil Supply Officer, Malakpet Circle, Hyderabad has reported that on course of routine inspections on 22-04-2026, under the supervision of DCSO-Hyderabad, ACSO-Saroornagar Circle, Rangareddy District, CSDT Olo DCSO, Rangareddy District, a team comprising CSDT's, & Civil Supplies Inspectors O/o CRO, Hyderabad, Civil Supplies Task Force Team No-V O/o CCS, TG, Hyderabad and Sales Officer (IOCL) inspected M/s Bhargavi Gas Agencies (IOCL Distributor) in its business premises situated at Pr.no: 17-2-258/112/A, Kurmaguda, Hyderabad and Godowns at premises situated at survey no. 106/2 106/3, 106/5 & 107/4, Godowns no. 1 & 2, Balapur(V&M), Rangareddy (D)

During their course of enquiry on 22-04-2026 found Sri Vigneshwar Chary said to be Manager of M/s Bhargavi Gas Agencies conducting the business transactions at the business premises of he said agency, who produced necessary documents for verification. Thereafter, altogether proceeded and inspected the godown's situated at survey no. 106/2, 106/3, 106/5 & 107/4, Godown:1&2, Balapur(V&M), Rangareddy (D) were Sri P.Han Kishan, said to be the prop of the agency was available for inspection. During course of inspection the inspecting team has noticed the following irregularities committed by the licensee.

a) The licensee has stored LPG cylinders outside the authorized storage shed which is extremely hazardous.

b) That the licensee has stored an excess of 20,702 kgs of Liquefied Petroleum Gas, than that of the storage capacity of 16,000 kgs.

c) That the licensee has failed to update the stocks register.

d) That the licensee has failed to update the stock board.

e) That the licensee has failed to supply portable weighing machines to delivery boys.

f) That the licensee has failed to maintain stock receipts of invoice generated.

When the inspecting team cross verified the ground stocks w.r.to the book balance, receipts and deliveries noticed a variations of (-) 678 no's of 19kgs Commercial Full Cylinders, (+) 110 no's of 19kgs Commercial empty Cylinders, (-) 44 no's of 47.5kgs Commercial Full Cylinders and (-) 53 no's of 47.5kgs Commercial Full Cylinders. When the licensee was questioned about the above variations and irregularities, he informed that the cylinders are under transit but failed to produce any records/invoices. Further also failed to give any statement for the other irregularities.

The licensee has committed grave irregularities, contravened the Liquefied Petroleum Gas (Regulation of Supply & Distribution) Order, 2000, Gas Rules, 2016 and the Telangana Petroleum Products (L&RS) Order 1980.

Therefore, in exercise of powers delegated under Clause 28(2) of the Telangana Petroleum Products (L&RS) Order, 1980, the Form-B license bearing No. C3/548/CRO/95/HYU/LPG issued in the name & style of Mis Bhargavi Gas Agencies (IOCL Distributor) represented by its Prop.. Sri P.Hari Kishan is hereby placed under Suspension, pending detailed enquiry.

An appeal against this order lies before the Commissioner of Civil Supplies, Telangana State, Hyderabad within (30) days from the date of receipt of this order.

DISCUSSION AND CONCLUSION:-

5. The learned counsel appearing on behalf of the petitioner mainly puts-forth the following submissions:-

i) The impugned order vide Procs.No.05/2026, dated 23.04.2026 passed by the 2nd respondent is in clear

violation of principles of natural justice, without providing a reasonable opportunity to the petitioner to put-forth petitioner's defence and without issuing any prior show-cause notice to the petitioner, respondent Authorities proceeded to pass the impugned order on 23.04.2026 and conducted seizure panchanama vide receipt, dated 22.04.2026 indicating panchanama conducted as on 22.04.2026 at 5:45 PM.

ii) The Chief Rationing Officer, Hyderabad i.e, the 2nd respondent in exercise of powers delegated under clause 28(2) of the Telangana Petroleum Products (Licensing and Regulation of Supplies) Order, 1980 passed the impugned order, dated 23.04.2026 suspending the license bearing No.C3/548/CRO/95/HYU/LPG issued in name and style of M/s. Bhargavi Gas Agency pending detailed enquiry.

iii) This Court had in fact passed interim orders suspending the operation of the Telangana Petroleum Products (Licensing and Regulation of Supplies) Order, 1980 vide its order, dated 31.07.2023 passed in W.P.No.20296 of 2023 and the same is extended until

further orders, vide its order, dated 27.06.2024 and the said order is in force as on date.

iii) The exercise of powers under clause 28(2) of the Telangana Petroleum Products (Licensing and Regulation of Supplies) Order, 1980 is itself without any jurisdiction.

Based on the aforesaid submissions, the learned senior designated counsel appearing on behalf of the petitioner contends that the petitioner is entitled for the relief as prayed for by the petitioner in the present writ petition.

6. Learned Government Pleader for Civil Supplies appearing on behalf of the respondents brings on record the written instructions of the 2nd Respondent i.e., Chief Rationing Officer, dated 24.04.2026. The relevant para Nos.6 to 9 of the said written instructions are extracted hereunder:-

6. The inspecting team having noticed that the petitioner is carrying on the business of Liquefied Petroleum Gas in a prejudicial manner. It was found that petroleum products were being supplied without issuing invoices, requisite records were not maintained at the premises, and the records were intentionally not updated. In view of these violations, the inspecting team has seized the following petroleum products available with the petitioner.

Sl.No.	Particulars	Quantity (No's)	Market Value
1	Domestic IOCL Cylinders (Full)	115	1,10,975/- (@Rs.965/-)
2	Domestic IOCL Cylinders (Empty)	1117	Nil
3	Domestic IOCL Cylinders (Defect)	05	Nil

4	19 Kg's Commercial IOCL Cylinders (Full)	1565	36,32,365/- (@Rs.2321/-)
5	19 Kg's Commercial IOCL Cylinders (Empty)	467	Nil
6	19 Kg's Commercial IOCL Cylinders (Defect)	07	Nil
7	47.5 Kgs Commercial IOCL Cylinders (Full)	108	6,62,238/- (@Rs.5798.50/-)
8	47.5 Kgs Commercial IOCL Cylinders (Empty)	162	NIl
9	10 Kgs Domestic Cylinders (Full)	01	689/- (@Rs.689/-)
10	10 Kgs Domestic Cylinders (Empty)	63	NIL
	Total		**44,06,267/-**

The Total Market Value of the seized property is Rs. 44,06,267/- (Rupees Fourty Four Lakhs Six Thousand Two Hundered and Sixty Seven Only).

7. Basing on the report submitted by the inspecting Officer, the Form-B licensee issued in favour of the petitioner has been suspended pending detailed enquiry, as per the powers vested under Clause 28(2) of the Telangana Petroleum Products (L&RS) Order, 1980.

The above clause permits the licensing authority to interimly suspend the Form-B License issued under the provision of the Telangana Petroleum Products (L&RS) Order, 1980.

While keeping the license under suspension, it has been also directed to the Public Sector Oil Company herein IOCL to make immediate necessary arrangements in tagging the registered customers to other agencies, such that no inconvenience is cause to the customers, the same will be completed within a day.

8. The petitioner has liberty to show all the documents/invoices to the licensing authority within (03) days from the date of seizure of the petroleum products, but failed to do so and filed the said writ petition. The petitioner in the said writ petition did not submit any of his statements what-so-ever as to why a quantity of excess kilograms of LPG is stored in his godown's premises, which is highly inflammable and hazardous to the public.

9. In the present Ongoing Crisis in the middle east affecting the availability of LPG in the Country, the Ministry of Petroleum & Natural Gas, Government of India has issued orders restricting supply of Commercial LPG cylinders basing on their priorities viz., 100% to Hospital, Government Institutions, Educational Institutions, Government Canteens, Old age Homes, Orphanages for 100% supplies

and public transport, 46% to Hotels, Restaurants etc, 20% to Industries.

The State Government (Commissioner of Civil Supplies) has issued orders on the above vide No.CCS PPI(2)/455/2026, dated 30.03.2026.

The petitioner herein, even after issuing the above orders, during the ongoing crisis, is into diversion of the Commercial Cylinders without maintaining any accounts and is illegally hoarding huge quantity of commercial LPG than his storage capacity, causing inconvenience to priority sector entities. The above mentioned violations have necessitated the inspecting team to initiate action against the petitioner in order to prevent illegal hoarding.

7. A bare perusal of the written instructions of the 2nd respondent, dated 24.04.2026 clearly indicates a clear admission on the part of the Chief Rationing Officer, Hyderabad that the said Officer in exercise of the powers vested under clause 28(2) of the Telangana Petroleum Products (Licensing and Regulation of Supplies) Order, 1980, and issued the impugned proceedings, dated 23.04.2026.

8. This Court opines that the impugned order, dated 23.04.2026 passed by the 2nd respondent is contrary to the earlier interim order of this Court, dated 31.07.2023 passed in W.P.No.20296 of 2023, which was further extended through an order of this Court, dated 27.06.2024 passed in W.P.No.20296 of 2023 and the said orders are in force as on date and vide the said orders in

fact the very operation of the Telangana Petroleum Products (Licensing and Regulation of Supplies) Order, 1980 had been suspended. The written instructions (referred to and extracted above) of the 2nd respondent, in particular at para No.8, clearly indicates that specific stand of the respondents is that the petitioner is at liberty to show all the documents/invoices to the licensing authority within (03) three days from the date of seizure of the petroleum products, but the petitioner had failed to produce the same and approached the Court by filing the present writ petition.

9. This Court opines that the respondent Authority in fact even failed to give three (03) days time to the petitioner to put-forth petitioner's case, since admittedly as borne on record the seizure panchanama is 22.04.2026 and the order impugned is dated 23.04.2026, the very next day itself.

10. A bare perusal of the record indicates that the order impugned, dated 23.04.2026 passed by the 2nd respondent herein and the search & seizure panchanama, dated 22.04.2026 is contrary to the Liquefied Petroleum

Gas (Regulation of Supply and Distribution) Order, 2000 which is in force as on date.

11. This Court opines that the impugned order passed by the 2nd respondent, dated 23.04.2026 is contrary to the earlier orders passed in W.P.No.20296 of 2023, dated 31.07.2023, and duly considering the fact as borne on record that the petitioner had not been put on notice prior to the passing of impugned order, dated 23.04.2026 by the 2nd respondent and the property of the petitioner had been seized on 22.04.2026, though the written instructions of the 2nd respondent indicated that the petitioner had been given three (03) days time to put-forth petitioner's case before the concerned Authorities, but however, opportunity had been admittedly denied to the petitioner arbitrarily, prior to passing of the order impugned.

12. Taking into consideration:

(a) The aforesaid facts and circumstances of the case,

(b) The submissions of the learned counsel appearing on behalf of the petitioner and learned

Government Pleader for Civil Supplies appearing on behalf of the respondents on record

(c) The order of this Court, dated 31.07.2023 passed in W.P.No.20296 of 2023 and the subsequent order of this Court, dated 27.06.2024 in W.P.No.20296 of 2023, which is in force as on date.

(d) The written instructions of Chief Rationing Officer, Hyderabad, dated 24.06.2026 placed before this Court by learned Government Pleader for Civil Supplies appearing on behalf of the respondents (referred to and extracted above)

(e) The fact as borne on record that the 2nd respondent issued impugned proceedings in exercise of his powers vested under clause 28(2) of the Telangana Petroleum Products (Licensing and Regulation of Supplies) Order, 1980, which had in fact been suspended by this Court and hence, contrary to the earlier orders of this Court, dated 27.06.2024 passed in W.P.No.20296 of 2023 which are in force as on date.

(f) The submission of the learned Government Pleader that the respondents ought to have proceeded against the

petitioner as per the provisions of the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000.

(g) The discussion and conclusion as arrived at para Nos. 5 to 10 of the present order.

The writ petition is allowed, the impugned order vide Procs No.05/2026, dated 23.04.2026 passed by the 2nd respondent is set-aside and the respondent Nos.2 & 5 are further directed to forthwith release the seized stocks to the petitioner, which was seized through the search & seizure panchanama, receipt dated 22.04.2026 and permit the petitioner to continue its LPG License. It is however observed that it is open to the respondents to initiate necessary action against the petitioner, if they intend to do so, but however the same is directed to be in accordance to law in conformity with principles of natural justice, strictly in adherence to the relevant rules in force under the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 2000. However, there shall be no order as to costs.

Miscellaneous petitions, if any, pending in this Writ Petition, shall stand closed.

Sd/-MOHD. ISMAIL
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To

1. The Principal Secretary, Civil Supplies Department, Dr. B.R. Ambedkar Secretariat, State of Telangana at Hyderabad.
2. The Chief Rationing Officer, Civil Supplies Department, Hyderabad.
3. The Commissioner of Civil Supplies, Hyderabad.
4. The Additional Collector (Civil Supplies), Ranga Reddy District.
5. The Assistant Civil Supplies Officer, Malakpet Circle, Hyderabad.
6. Two CCs to GP FOR CIVIL SUPPLIES, High Court for the State of Telangana at Hyderabad. [OUT]
7. One CC to SRI THOOM SRINIVAS, Advocate [OPUC]
8. Two CD Copies

SA

BS

C.C. TODAY

HIGH COURT

DATED: 24/04/2026



ORDER

WP.No.13700 of 2026

ALLOWING THE W.P

WITHOUT COSTS.

(11)
MT
28/4/26