

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

TUESDAY, THE TWENTY EIGHTH DAY OF APRIL
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE MRS JUSTICE SUREPALLI NANDA

WRIT PETITION NO: 11977 OF 2026

Between:

Sunita Mittal, W/o Manoj Kumar Mittal, Aged 53 yrs, Occ: FP Shop Dealer, R/o
H. No.21-2-654/C/2, 2nd floor, Urdu Gali, Charminar, Hyderabad.

...PETITIONER

AND

1. The State Of Telangana, Rep. by its Principal Secretary, Civil Supplies Department, Secretariat, Hyderabad, T.S.
2. The Chief Rationing Officer, Hyderabad.
3. The District Civil Supply Officer, Hyderabad.
4. The Assistant Supply Officer, (C.S.), Charminar Circle-III, Hyderabad.
5. The Senior Checking Inspector, Office of The Assistant Supply Officer, (C.S.), Charminar Circle-III, 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, order or direction, more particularly one in the nature of WRIT OF MANDAMUS declaring the action of the respondents in not releasing the stocks of essential commodities in favour of the petitioners Fair Price Shop No. 1673378, Charminar Circle-III, Hyderabad even though the petitioner's authorization is subsisting as being arbitrary, illegal and contrary to law, contrary to the Telangana State Public Distribution System (Control), Order, 2016 and consequently direct the respondents to release stocks in favor of the petitioner by handing over the seized e-POS device to her.

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 direct the respondents 2 to 4 to release the essential commodities in favour of the petitioner's Fair Price Shop No.1673378, Charminar Circle-III, Hyderabad, by handing over the seized e-POS device to her pending disposal of the writ petition.

Counsel for the Petitioner: SRI P. LAKSHMA REDDY

Counsel for the Respondents: ASST. GP FOR CIVIL SUPPLIES

The Court made the following: ORDER

HON'BLE MRS. JUSTICE SUREPALLI NANDA

WRIT PETITION No.11977 OF 2026

DATED: 28.04.2026

Between:

Smt. Sunita Mittal

....Petitioner

And

The State of Telangana and Others

....Respondents

ORDER:

Heard Sri P.Lakshma Reddy, 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, order or direction more particularly one in the nature of WRIT OF MANDAMUS declaring the action of the respondents in not releasing the stocks of essential commodities in favour of the petitioners Fair Price Shop No. 1673378, Charminar Circle-III Hyderabad even though the petitioner's authorization is subsisting as being arbitrary, illegal, and contrary to law, contrary to the Telangana State Public Distribution System (Control) Order 2016 and consequently direct the respondents to release stocks in favor of the

petitioner by handing over the seized e-POS device to her and pass...."

3. 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:

The petitioner has been operating Fair Price Shop No. 1673378 in Charminar Circle-III, Hyderabad, for over 32 years under a valid authorization issued by the competent authority under the Telangana State Public Distribution System (Control) Order, 2016. The said authorization was subsisting and had been renewed up to 31.03.2025, and the renewal fees for the subsequent period had been duly paid and accepted. While so, on 13.04.2026, the 5th respondent, along with inspection officials, conducted a surprise inspection of the petitioner's shop and alleged a variation of +487 kgs in PDS rice when compared with the e-POS records, leading to the seizure of 3,300 kgs of stock and the e-POS device under a panchanama.

It is further the case of the petitioner that the said variation, amounting to only 0.66%, falls well within the permissible limit of 1.5% under Clause 24 of the Control Order. Despite the authorization remaining valid and no suspension or

cancellation proceedings having been initiated, the respondents failed to release further essential commodities. Aggrieved by the arbitrary action of the respondents, the petitioner had approached this court by filing the present writ petition.

4. PERUSED THE RECORD

The Petitioner's explanation, dated 23.04.2026 in response to the show-cause notice No.C2/316/2026, dated 21.04.2026 issued to the petitioner herein is extracted hereunder:-

I respectfully submit the following explanation for your kind consideration:

1. It is alleged that there is a variation of (+) 487 KGs of PDS rice, leading to the assumption of diversion to the black market. I vehemently deny any such clandestine activity or diversion. It is pertinent to note that the variation found is an excess of stock, not a shortage. By definition, a dealer engaged in "diversion" would exhibit a shortage of stocks, not an excess. The existence of additional stock on the premises is proof of my bona fide operations and my commitment to maintaining the allotted quantities for the cardholders.
2. The variation of (+) 487 KGs constitutes a deviation of approximately 0.66% relative to the total stock. As per Clause 24 of the Telangana State Public Distribution System (Control) Order, 2016, a variation of up to 1.5% for any single commodity is expressly permitted. Since the variation in my shop is well within this 1.5% threshold, no prosecution or punitive action should be launched.
3. During the inspection, there was a heavy rush of cardholders at the shop. Several cardholders had already

undergone biometric authentication via the ePoS device, but had temporarily left the premises to bring larger containers or bags to collect the high volume of allotted grains. Because of the immediate inspection, these transactions were in the process of being finalized in the manual register. The stock remained on the premises, which proves that no diversion occurred. At the time the officials arrived, there were three cardholders present who had already successfully completed their biometric authentication via the ePoS device. Because the current distribution involves a 3-month stock allocation, the quantity to be collected was very large. These cardholders had temporarily left the premises to procure larger bags to transport their substantial grain entitlements. Before these cardholders could return to physically collect their stock, the inspection occurred. This explains why the ePoS entries were completed (deducting the stock from the balance) while the physical stock was still present in the shop. This was not a "clandestine business" but a simple logistical delay in distribution.

4. Regarding the allegation of failure to maintain true and correct accounts and display Form-II, I submit that this was not a deliberate lapse. Due to the high footfall and the immediate rush of cardholders, the administrative entry of transactions was momentarily delayed. It has always been, and remains, my intent to strictly comply with all provisions of the TGPDS (Control) Order, 2016. The shop premises are maintained with the utmost hygiene and order, as required by law.

5. The Hon'ble High Court of Andhra Pradesh, in the case of Tanneeru Rama Kotaiah vs. State of Andhra Pradesh, has categorically held that seizing essential commodities based on minor stock variations, especially when such variations fall within the permissible limits, constitutes illegality. The Hon'ble Court directed that the seized stocks must be returned to the dealer. I submit that my case is squarely covered by this legal position.

In view of the above, I request your good office to consider the following:

1. The findings of the inspection team are based on a misunderstanding of operational logistics.
2. The variations are well within the legally permissible limit of 1.5% as per Clause 24 of the Control Order.
3. The "excess" stock is physically available in the shop, which contradicts any allegation of clandestine diversion.

I therefore humbly pray that the charges framed against me be dropped, and the seized stock and ePoS device be released immediately, as the continued seizure is causing significant hardship to both the dealer and the cardholders who depend on this shop for their essential commodities.

DISCUSSION AND CONCLUSION:-

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

- i) **As per Clause 24 of the Telangana State Public Distribution system (control) Order, 2016, no prosecution shall be launched against the fair price shop dealer when the shortage or excess is within the permissible limit of 1.5% for any single commodity.**
- ii) **on 13.04.2026, the 5th respondent, along with inspection officials, conducted a surprise inspection of the petitioner's shop and alleged a variation of +487 kgs in PDS rice when compared with the e-POS records, leading to the seizure of**

3,300 kgs of stock and the e-POS device under a panchanama and the same was handed over to FP shop No.1673371 dealer.

- iii) When the authorization of the dealership is in force, the petitioner cannot be prohibited to run the Fair Price Shop and the respondents cannot withhold the regular release of essential commodities to the petitioner.

Based on the aforesaid submissions, the learned 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 Assistant Government Pleader for Civil Supplies appearing on behalf of the respondents puts-forth the following submissions:-

- a) In response to the show-cause notice No.C2/316/2026, dated 21.04.2026 issued to the petitioner herein, the petitioner made a detailed representation, dated 23.04.2026 to the District Civil Supply Officer i.e., respondent No.3 herein requesting to drop charges leveled against the petitioner and also for release of seized stocks.

b) The 3rd respondent may be directed to pass appropriate orders on the petitioner's explanation, dated 23.04.2026 furnished by the petitioner in response to the show-cause notice, dated 21.04.2026 issued to the petitioner within a reasonable period.

7. Learned counsel appearing on behalf of the petitioner does not dispute the said submissions made by the learned Assistant Government Pleader for Civil Supplies appearing on behalf of the respondents.

8. 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 Assistant Government Pleader for Civil Supplies appearing on behalf of the respondents.

(c) The contents of the explanation, dated 23.04.2026 furnished by the petitioner in response to the show-cause notice, dated 21.04.2026 issued to the petitioner herein requesting the 3rd respondent to drop

charges leveled against the petitioner and to release the stocks seized by the respondent Nos.4 & 5 on 13.04.2026.

(d) The fact which is not disputed even by the learned Assistant Government Pleader for Civil Supplies appearing on behalf of the respondents that the Authorization of Fair Price Shop No.1673378, located at Charminar circle is in favour of the petitioner as on date and subsisting.

The writ petition is disposed of, directing the 3rd respondent to pass appropriate orders duly considering petitioner's explanation, dated 23.04.2026 addressed to the 3rd respondent requesting to drop the charges leveled against the petitioner and to forthwith release the stocks seized by the respondent Nos.4 & 5 on 13.04.2026, vide panchanama, dated 13.04.2026, within a period of one (01) week from the date of receipt of copy of the order, in accordance to law, by providing an opportunity of personal hearing to the petitioner and duly communicate the decision on the petitioner's explanation, dated 23.04.2026 to the petitioner. However, there shall be no order as to costs.

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

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SD/-M. OSMAN ALI BAIG
ASSISTANT REGISTRAR

SECTION OFFICER

To,

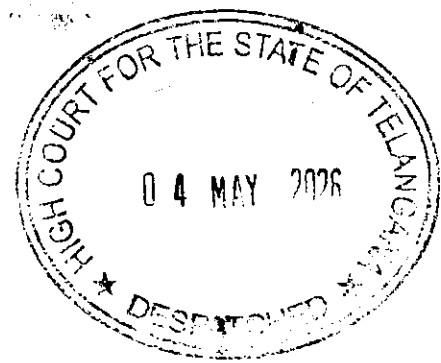
1. The Principal Secretary, Civil supplies Department, The State Of Telangana, Secretariat, Hyderabad, T.S.
2. The Chief Rationing Officer, Hyderabad.
3. The District Civil Supply Officer, Hyderabad.
4. The Assistant Supply Officer, (C.S.), Charminar Circle-III, Hyderabad.
5. The Senior Checking Inspector, Office of The Assistant Supply Officer, (C.S.), Charminar Circle-III, Hyderabad.
6. One CC to SRI P. LAKSHMA REDDY, Advocate [OPUC]
7. Two CCs to GP FOR CIVIL SUPPLIES, High Court for the State of Telangana, at Hyderabad [OUT]
8. Two CD Copies

BN
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CC TODAY

HIGH COURT

DATED: 28/04/2026



ORDER

WP.No.11977 of 2026

**DISPOSING OF THE WRIT PETITION
WITHOUT COSTS**

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04/05/26
P.B