

HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

FRIDAY, THE FIFTEENTH DAY OF MAY  
TWO THOUSAND AND TWENTY SIX

:PRESENT:

THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN  
I.A.No. 1 OF 2026  
IN  
WP NO: 16653 OF 2026

**Between**

1. KOTHA SUDHEER, S/o Late Kotha Vaikuntham Occ. Partner R/o H No 1-3-375 Godam Area Korutla Village and Mandal Jagtial District
2. Neeli Kashinatham, S/o Late Neeli Gangaram Occ. Partner R/o Korutla Village and Mandal Jagtial District
3. Srinivasa Petrol Pump, Premises No 1-3-392 in Sy No 2631 and 2632 situated at Korutla Proper and Mandal Jagtial District erstwhile Karimnagar District Represented by its partner Kotha Sudheer S/o Late Kotha Vaikuntham

**...PETITIONERS**

(Petitioners in WP NO: 16653 OF 2026  
on the file of High Court)

**AND**

1. Union of India, represented by Under Secretary Ministry of Commerce and Industry New Delhi
2. Petroleum and Explosives Safety Organization, represented by Controller of Explosives for Joint Chief Controller of Explosives Room No 602 6th Floor CGO Towers Kavadiguda Secunderabad
3. M/s Hindustan Petroleum Corporation Limited, represented by its Chief Regional Manager Regional Office Nizamabad
4. Senior Regional Manager, Hindustan Petroleum Corporation Limited 9-1-130/1 Sebastian Road Secunderabad-500005

**...RESPONDENTS**

(Respondents in-do-)

**Counsel for the Petitioners : Sri K VENUMADHAV**

**Counsel for the Respondent Nos.1 & 2: SRI N BHUJANGA RAO DEPUTY  
SOLICITOR GENERAL OF INDIA**

**Counsel for the Respondent Nos.3 & 4: Sri Thoom Srinivas**

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the proceedings No P/SC/TG/14/2197 P292494 issued by the

respondent No 2 dated 30-04-2026, Pending disposal of WP No 16653 of 2026, on the file of the High Court.

The court while directing issue of notice to the Respondents herein to show cause as to why this application should not be complied with, made the following. (The receipt of this order will be deemed to be the receipt of notice in the case).

### ORDER

The present Application is filed seeking to suspend the impugned proceedings No.P/SC/TG/14/2197 (P292494) dated 30.04.2026 issued by respondent No.2.

Heard learned counsel for the petitioners and Sri N.Bhujanga Rao, learned Deputy Solicitor General of India for respondent Nos.1 and 2 and Sri Thoom Srinivas, learned Standing Counsel for HPCL appearing for respondent Nos.3 and 4.

Learned counsel for the petitioners submits that the retail outlet namely "Srinivasa Petrol Pump" was established in the year 1971 and license under the Petroleum Rules, 2002 (for short "2002 rules") was granted on 01.01.1977. The said license, according to the learned counsel, was being renewed from time to time and the latest renewal was valid till 31.12.2025. Learned counsel submits that the business is being run by a partnership firm constituted under partnership deed dated 09.02.1971 wherein the predecessors of petitioner Nos.1 and 2 as initial partner Nos.1 and 2 holding 75% share in the partnership firm and the predecessors of the partner Nos.3 and 4 holding 25% share in the partnership firm.

Learned counsel further submits that the legal heirs of partner Nos.3 and 4 (petitioners in W.P.No.21261 of 2023) filed Writ Petition No.21261 of 2023 seeking to stop supply of petroleum products and the said writ petition was dismissed by this Court *vide* order dated 04.12.2024 holding that the dispute was purely in the realm of private dispute and not amenable to writ jurisdiction.

The learned counsel for the petitioners submitted that an application for online renewal was submitted on 19.12.2025 to respondent No.2 before expiry of the license and such application amounts to deemed extension under the Petroleum Rules. It is further submitted that respondent No.2 herein illegally issued proceedings No.P/SC/TG/14/2197 (P292494) dated 30.04.2026 stating that the respondent No.3 "ceased to have the right to site for storage of petroleum products" due to lack of lawful/litigious possession basing on DPIIT letter dated 26.12.2023.

The learned counsel for the petitioners submits that the impugned proceedings dated 30.04.2026 passed without issuing any show cause notice and without affording any opportunity of hearing in violation of principles of natural justice. Learned counsel further submits that the land was not leased out and the same belongs to the partnership firm. No lease deed was ever

submitted at the time of granting of the license which according to the learned counsel constitutes the error of fact of ownership.

Learned counsel further contended that the authority acted on the *mala fide* action of legal heirs of the original partner Nos.3 and 4, whose W.P.No.21261 of 2023 was already dismissed by this Court. The learned counsel further submits that the retail outlet has been functioning for more than 55 years without any complaint and renewal application was timely filed on 19.12.2025. It is contended that irreparable loss would be caused if the license is not renewed. It is also submitted that petroleum stock was purchased on 02.05.2026, which itself indicates that the license was treated as subsisting.

On the other hand, learned Standing Counsel for respondent Nos.3 and 4, on instructions, submits that the license stands cancelled in accordance with Rule 152(1)(i) of 2002 Rules inasmuch as licensee ceased to have any lawful right over the site due to title dispute and litigious possession. Learned counsel submits that in terms of DPIIT circular dated 26.12.2023, it is clarified that litigious possession is not lawful possession and license has been cancelled without waiting for litigation to end.

Learned Standing Counsel further submits that an ample opportunity of hearing was provided to the petitioners under Rule 152 of 2002 Rules by issuing letter dated 03.06.2025, show cause notices dated 09.07.2025 and 12.02.2026 respectively calling upon the petitioners to furnish valid documents with regard to legal and physical possession of the premises. However, no satisfactory explanation or valid lease agreement was furnished by the petitioners within the stipulated time.

It is further submitted that on non-receipt of satisfactory compliance within the stipulated time, necessary action was initiated under Rule 152 of 2002 Rules and consequently the impugned proceedings dated 30.04.2026 was issued.

I have taken note of the respective submissions urged and perused the material on record.

The material placed before this Court discloses that proceedings dated 03.06.2025 and the show cause notices dated 09.07.2025 and 12.02.2026 were issued respectively calling upon the petitioners to furnish documents relating to lawful possession and right over the subject site. The petitioners, who remained silent despite specific queries regarding the lawful possession over the subject site, cannot claim violation of principles of natural justice. The authorities were justified in proceeding, based on material available on record.

This Court by order dated 04.12.2024 in W.P.No.21261 of 2023 has categorically held that the dispute between the 75% shareholders i.e., petitioners herein and the 25% shareholders i.e., the legal representatives of original partner Nos.3 and 4 is purely in the realm of private dispute and not a Constitutional infraction.

Further, the cancellation in terms of Rule 152(1)(i) of 2002 Rules is automatic. Rule 152(1)(i) of 2002 Rules states that "the license shall stand cancelled", which clearly indicates that it is not a discretionary revocation, but an automatic consequence. The existence of W.P.No.21261 of 2023 concerning the dispute between the partners itself demonstrates that the right over the site was under contest. Further, as per the DPIIT letter dated 26.12.2023, litigious possession cannot be treated as a right over the site.

The dispute that arose between the partners was not resolved in favour of petitioners herein and therefore the condition precedent for continuation of license, namely the undisputed right over the site, ceased to exist. Hence, the license automatically stood cancelled upon expiry of the show cause notice period.

In view of the aforesaid facts and circumstances, no *prima facie* case is made out to grant interim suspension of proceedings No.P/SC/TG/14/2197 (P292494), dated 30.04.2026. Accordingly, the prayer for interim suspension stands refused.

Sd/- A.V.S.PRASAD  
DEPUTY REGISTRAR

//TRUE COPY//

  
SECTION OFFICER

To,

1. The Under Secretary, Union of India, Ministry of Commerce and Industry New Delhi
2. Petroleum and Explosives Safety Organization, represented by Controller of Explosives for Joint Chief Controller of Explosives Room No 602 6th Floor CGO Towers Kavadiiguda Secunderabad
3. The Chief Regional Manager, M/s Hindustan Petroleum Corporation Limited, Regional Office Nizamabad
4. Senior Regional Manager, Hindustan Petroleum Corporation Limited 9-1-130/1 Sebastian Road Secunderabad-500005 [1 to 5 By SPAD]
5. One CC to Sri K VENUMADHAV Advocate [OPUC]
6. One spare copy

HIGH COURT

GMM, J

DATED: 15-05-2026

ORDER

I.A.No. 1 OF 2026  
IN  
WP NO: 16653 OF 2026

DIRECTION