# IN THE HIGH COURT FOR THE STATE OF TELANGANA

**AT HYDERABAD**
**(Special Original Jurisdiction)**

MONDAY, THE SECOND DAY OF MARCH
TWO THOUSAND AND TWENTY SIX

**PRESENT**

**THE HONOURABLE MRS JUSTICE SUREPALLI NANDA**

**WRIT PETITION NO: 5504 OF 2026**

**Between:**

M/s. Chiranth Enterprises, Represented by its proprietor S. Adi Narayana R/o. H.No.3-5-10/4/1311, 1st floor, Near YMCA Cross Road, Lakshmi Colony, Narayanaguda, Hyderabad

**...PETITIONER**

**AND**

1. The State of Telangana, Represented by its Principal Secretary to Government, Finance Department, Dr. B. R. Ambedkar Telangana Secretariat, Hyderabad.
2. Director of Medical Education, Sultan Bazar, Koti, Hyderabad.
3. Government General Hospital, Represented by its Superintendent, Mahabubabad, Mahabubabad District.
4. Government General Hospital, Represented by its Superintendent, Wanaparthy, Wanaparthy District
5. MGM Hospital, Represented by its Superintendent, Warangal, Warangal District.

**...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 declaring the action of the particular the 1st Respondent Secretary of Finance forthwith release and pay the amounts in respect of token Nos. 1) 2449703156 & dt.27.01.2024 for an amount of

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**AT HYDERABAD**

**THE HON'BLE MRS. JUSTICE SUREPALLI NANDA**

**WRIT PETITION No.5504 OF 2026**

**DATED : 02.03.2026**

**Between:**

M/s. Chiranth Enterprises,
Rep., by its Proprietor S. Adi Narayana,
R/o. H.No.3-5-10/4/B/1,1, 1st Floor,
Near YMCA Cross Road, Lakshmi Colony,
Narayanaguda, Hyderabad.

**... Petitioner**

**AND**

1. The State of Telangana,
   Rep., by its Principal Secretary to Government,
   Finance Department,
   Dr. B.R. Ambedkar Telangana Secretariat,
   Hyderabad.

2. Director of Medical Education,
   Sultan Bazar,
   Koti, Hyderabad.

3. Government General Hospital,
   Rep., by its Superintendent,
   Mahabubabad, Mahabubabad District.

4. Government General Hospital,
   Rep., by its Superintendent,
   Wanaparthy, Wanaparthy District.

5. MGM Hospital,
   Rep., by its Superintendent,
   Warangal, Warangal District.

**...Respondents**

**:: ORDER ::**

**Heard Sri P.V. Ramana, learned counsel appearing on behalf of the petitioner; learned Assistant Government Pleader for Finance and Planning Department appearing on behalf of respondent No.1 and learned Assistant Government Pleader for Medical and Health appearing for respondent Nos.2 to 5.**

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

> "...to issue a Writ of Mandamus declaring the action of the particular the 1st respondent Secretary of Finance forthwith release and pay the amounts in respect of toke Nos.1) 2449703156 & dated 27.01.2024 for an amount of Rs.9,69,762/-; 2) 2449703168 & dated 27.01.2024 for an amount of Rs.5,08,737/-; 3) 2449703175 & dated 27.01.2024 for an amount of Rs.14,60,751/-; 4) 2449703185 & dated 27.01.2024 for an amount of Rs.1,78,080/-; 5) 2449703150 & dated 27.01.2024 for an amount of Rs.1,13,108/-; 6) 2449703162 & dated 27.01.2024 for an amount of Rs.8,68,052/-; 7) 2449703146 & dated 27.01.2024 for an amount of Rs.10,34,901/-; 8) 2449703116 & dated 27.01.2024 for an amount of Rs.7,90,506/-; 9) 2449702730 & dated 27.01.2024 for an amount of Rs.5,60,500/-; 10) 2449702754 & dated 27.01.2024 for an amount of Rs.5,68,465/-; 11) 2449702748 & dated 27.01.2024 for an amount of Rs.4,58,637/-; 12) 2449702743 & dated 27.01.2024 for an amount of Rs.4,05,330/-; 13) 2449702738 & dated 27.01.2024 for an amount of Rs.5,77,669/-; 14) 2449702788 & dated 27.01.2024 for an amount of Rs.5,47,048/-; 15) 2449702772 & dated 27.01.2024 for an amount of Rs.1,04,725/-; 16) 2449702759 & dated 27.01.2024 for an amount of Rs.1,66,320/-; 17) 2449702766 & dated 27.01.2024 for an amount of Rs.4,86,632/-; 18) 2460039935 & dated 28.03.2024 for an

amount of Rs.31,13,152/-; 19) 2460039917 & dated 28.03.2024 for an amount of Rs.48,40,280/-; 20) 2451708363 & dated 07.02.2024 for an amount of Rs.2,74,400/-; 21) 2456489007 & dated 06.03.2024 for an amount of Rs.3,32,640/-; and 22) 2524363049 & dated 28.03.2025 for an amount of Rs.6,25,400/- for a total amount of Rs.1,89,85,095/- is illegal, arbitrary, violative of Articles 14, 19, 21 & 300-A of the Constitution of India and consequently declare the action of the respondents in withholding the said amount for a period of two (02) years is illegal and arbitrary and to 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:**

a) The petitioner supplied medical equipment on an emergency basis to Government Hospitals against undisputed token numbers, but payments remain pending even after two years.

b) The supplies were made within the stipulated time, and the bills were duly cleared by the Treasury Department and forwarded to the Income Department.

c) The Government Hospitals processed the bills and generated FTO/Token numbers dated 27.01.2024, 28.03.2024 and 28.03.2025 acknowledging that a total amount of Rs.1,89,85,095/- is payable to the petitioner.

d) The petitioner submitted a number of representations personally seeking payments but however, the respondents didn't take any action. Aggrieved by the same, the petitioner has approached this court by filing the present Writ Petition.

**4. PERUSED THE RECORD:-**

**(A) The relevant portion of the judgment dated 08.03.2019 passed in M/s. Surya Constructions Vs. State of Uttar Pradesh and others reported in (2019) 16 SCC 794 passed by the Two Judge Bench of the Apex Court in Civil Appeal No.2610 of 2019 (Arising out of SLP (C) No.29505 of 2014), is extracted hereunder:**

> "...It is clear, therefore, from the aforesaid order dated 22.03.2014 that there is no dispute as to the amount that has to be paid to the appellant. Despite this, when the appellant knocked at the doors of the High Court in a writ petition being Writ Civil No.25126 of 2014, the impugned judgment dated 02.05.2014 dismissed the writ petition stating that disputed questions of fact arise and that the amount due arises out of contract. **We are afraid the High Court was wholly incorrect inasmuch as there was no disputed question of fact. On the contrary, the amount payable to the appellant is wholly undisputed. Equally, it is well settled that where the State behaves arbitrarily, even in the realm of contract, the High Court could interfere under Article 226 of the Constitution of India [ 'ABL International Ltd. and Another v. Export Credit Guarantee**

**Corporation of India Ltd. and Others' (2004 (3) SCC 553)].**

This being the case and the work having been completed long back in 2009, we direct the Uttar Pradesh Jal Nigam to make the necessary payment within a period of four weeks from today. Given the long period of delay, interest at the rate of 6 per cent per annum may also be awarded.

The appeal stands disposed of accordingly."

**(B) The Apex Court in the judgment reported in (2023) 8 SCC 240 in Madras Aluminium Company Limited vs. Tamil Nadu Electricity Board and Another vide judgment dated 06.07.2023, at paragraph Nos.39 and 40 observed as under:**

"39. A Bench of two learned Judges of this Court in *Shrilekha Vidyarthi (Kumari) v. State of U.P.*[4] observed that there exists "an obvious difference" between contracts concerning private parties to those which have State as a party. The primary difference being that the State while exercising its powers and discharging its functions "acts indubitably, as is expected of it, for public good and in public interest". The said factor singularly is sufficient to bring into any transaction the minimal requirements of public law, to which the State is a party. The fact that a dispute falls into the contractual realm does not relieve the State of its obligation to comply with the requirements of Article 14.

40. Further the Court in Shrilekha Vidyarthi case4 had observed that: (SCC p.237, para 24)

"24. The State cannot be attributed the split personality of Dr.Jekyll and Mr. Hyde in the contractual field so as to impress on it all the characteristics of the State at the threshold while making a contract requiring it to fulfil the obligation of Article 14 of the Constitution and thereafter permitting it to cast off its garb of State to adorn the new robe of a private body during the subsistence of the contract enabling it to act arbitrarily subject only to the contractual obligations and remedies flowing from it. *It is really the nature of its personality as State which is significant and must characterize all its actions, in whatever field, and not the nature of function, contractual or otherwise, which is decisive of the nature of scrutiny permitted for examining the validity of its act. The requirement of Article 14 being the duty to act fairly, justly and reasonably, there is nothing which militates against the concept of requiring the State always to so act, even in contractual matters.* There is a basic difference between the acts of the State which must invariably be in public interest and those of a private individual, engaged in similar activities, being primarily for personal gain, which may or may not promote public interest. Viewed in this matter, in which we find no conceptual difficulty or anachronism, *we find no reason why the requirement of Article 14 should not extend even in the sphere of contractual matters for regulating the conduct of the State activity."*

**(C) <u>The relevant portion of the judgment dated 30.04.2022 passed by the High Court of Andhra Pradesh in Katta Chinna Kotaiah vs. The State of Andhra Pradesh reported in MANU/AP/0721/2022, is extracted hereunder:</u>**

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> **"The Apex Court and this Court in catena of decisions held that when there is non-payment of the undisputed bills, the same is violative of Articles 14 and 16 of the Constitution of India.** The counsel for the petitioner rightly placed reliance on the decision of the Apex Court in Surya Constructions Vs. State of Utter Pradesh and others, following the judgment in ABL International Ltd. Vs. Export Credit Guarantee Corporation of India Ltd. Cited supra. In view of the Apex Court judgment, the contention of the learned Government Pleader that the writ petition is not maintainable before this Court could not be countenanced. The bills of the petitioner dated 13.3.2019 are admitted by the respondents and forwarded for payment after due measurements and obtaining quality control and the Vigilance report. Hence, the authorities are estopped from stating that the bills are submitted without executing the works. On the mere ground of pendency of Vigilance report, payment cannot be stopped. **Accordingly, there shall be a direction to the respondents to pay the bill amount of Rs.8,08,828/- to the petitioner within a period of six weeks from the date of receipt of copy of this order."**

**(D) The relevant portion of the judgment dated 16.03.2021 passed by the High Court of Andhra Pradesh in Mutyala Veeravenkata Satyanarayana vs. The State of Andhra Pradesh reported in 2021 SCCOnline AP 1410, in particular paragraph Nos.8 and 9, is extracted hereunder:**

> "8. The provisions of the Act make it clear that it is a welfare legislation meant to create employment/eradicate unemployment in rural areas

and in the process to create durable assets for rural India. Thus, it is clear that a public element is involved in these works with State participation and funding. The "States" presence is therefore all pervasive in this scheme. The law on the interpretation of welfare legislation is also very clear. As held in number of cases including K.H.Nazar v. Mathew K Jacob case by the Supreme Court of India "Judges ought to be concerned with the colour, content and the context of such statutes". Therefore, in view of the settled law and keeping in mind the purpose for which the legislation is enacted, this Court has to hold that there is a public element involved in this and that it is not a pure case of the State entering into a commercial contract.

9. **Apart from this when State or State instrumentalities act in an arbitrary manner or fail to act within time the Writ Court does have jurisdiction to entertain the matter.** Even the case law cited by the learned counsel for the petitioner supports this to an extent. Besides this Court notices that there is no method/mode for settlement of disputes provided for. Section 23 of the Act and Rule 14 of Schedule-I for example provide for constant monitoring of the works/books to be maintained etc. Despite this, there is no strict denial of the exact quantum of work executed."

**(E) The relevant portion of the judgment dated 22.03.2022 passed by the High Court of Andhra Pradesh in W.P.No.2511 of 2022, in particular paragraph Nos.23 and 24, is extracted hereunder:**

**"23) The High Court of Andhra Pradesh in J. Devendra Reddy v Kakatiya University and another reported in 2015 (3) ALD 97, held that withholding of the amount payable to the**

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petitioner for the contract works, constitutes patent arbitrariness on the part of the respondents and directed the respondents to pay 2015 the amount due to the petitioner along with interest @ 12% per annum.

24) The High Court of Andhra Pradesh in S. Srinivas vs. State of Andhra Pradesh and others reported in 2021 (5) ALT 267, held that the petitioner is entitled for the interest @ 12% p.a., from the date of expiry of one month from the date of submission of bill to till the date of payment."

**(F) The relevant portion of the judgment dated 21.04.2025 passed by this Court in W.P.No.11744 of 2025 in particular paragraph No.5, is extracted hereunder:**

"5. Having regard to the submissions of both the learned counsel, this Court deems it appropriate to dispose of the Writ Petition by directing the respondent authorities to release the admitted bill amount of Rs.1,16,51,734.00/ due to the petitioner, as expeditiously as possible, preferably within a period of six (6) weeks from the date of receipt of a copy of the order. No costs."

**(G) The relevant portion of the order of this Court dated 03.10.2023 passed under similar circumstances in W.P.No.12655 of 2023 in particular paragraph Nos.12 and 13, is extracted hereunder:**

"12. In the light of the pleadings and arguments referred to above, it is clear that there is no dispute with regard to amounts payable under Bill

Nos.34, 35 and 36. **<u>It has been held by the Hon'ble Supreme Court from time to time that writ jurisdiction per se cannot be denied merely because the dispute arose out of a commercial contract as held in Surya Constructions' case (Supra 1), ABL International Limited's case (Supra 2) and Century Spinning and Manufacturing Company Limited's case (Supra 3). In Surya Constructions' case (Supra 1), the Hon'ble Supreme Court granted relief to the petitioner therein taking note of the fact that bills payable to the petitioner were undisputed. In the instant case, the petitioner stands on a better footing as the bills of the petitioner are not only admitted but also certified.</u>** As observed above, in the present case there is no dispute as such between the parties. The only issue is with regard to release of payment under Bill Nos.34, 35 and 36 by the respondents - State. No explanation is forthcoming from the respondents as to why the amounts covered by Bill Nos.34, 35 and 36 cannot be released. According to the respondents, Bill Nos.34, 35 and 36 are pending for want of budgetary clearance. On the face of it, action of the respondents is arbitrary, unreasonable and unjust and the same cannot be countenanced.

13. **<u>The contention of the learned Additional Advocate General that the petitioners have to approach civil Court even for payment of admitted bills runs contrary to the settled legal proposition.</u>** This Court would also look into the public interest involved. The project, as informed by the learned counsel on either side, is an ongoing project and the bills worth of hundreds of crores are kept pending for no reason and there is every possibility of non-release of payment impacting the ongoing project and the same would not be in public interest. Even for this reason, this Court holds that the petitioner has made out a case warranting interference in writ jurisdiction. Further, as there is inordinate delay in

release of payments covered by the subject bills by the respondents to the petitioner without any justification, in the opinion of this Court, the respondents are liable to pay penal interest. However, as against the claim of 18% per annum sought by the petitioner, this Court holds that the respondents are liable to pay penal interest at 9% per annum."

**(H) The judgment of the Apex Court in Hari Krishna Mandir Trust V. State of Maharashtra and Others reported in AIR 2020 Supreme Court 3969 and in particular para Nos.100 and 101 held as follows:**

"100. The High Courts exercising their jurisdiction under Article 226 of the Constitution of India, not only have the power to issue a writ of mandamus or in the nature of mandamus, **but are duty-bound to exercise such power, where the Government or a public authority has failed to exercise or has wrongly exercised discretion conferred upon it by a statute, or a rule, or a policy decision of the Government or has exercised such discretion mala fide, or on irrelevant consideration.**

101. In all such cases, the High Court must issue a writ of mandamus and give directions to compel performance in an appropriate and lawful manner of the discretion conferred upon the Government or a public authority."

**DISCUSSION AND CONCLUSION :-**

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

a) Even though the bills were certified and the above FTOs were issued and approved, the respondents have not released the payment. The petitioner also submitted a number of representations requesting the respondents to release the admitted amount; however, no action has been taken so far, resulting in an inordinate and unexplained delay in payment.

b) The petitioner herein stands on a similar footing and is entitled for grant of similar relief as extended under similar circumstances to the petitioner in W.P.No.12655 of 2023 *vide* judgment of this Court dated 03.10.2023, to the petitioner in W.P.No.10284 of 2025 *vide* judgment of this Court dated 24.04.2025 and to the petitioner in W.P.No.11744 of 2025 dated 21.04.2025.

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

**6. Learned Assistant Government Pleader for Finance and Planning Department, appearing on behalf of respondent No.1 does not dispute the said submissions**

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**made by the learned counsel appearing on behalf of the petitioner but however, contends that the Token Numbers issued in favor of the petitioner were for the year 2024-2025. It is as borne out from the record that admittedly, a period of more than 2 years had elapsed since token numbers had been issued in respect of supply of medical equipment to the Government Hospitals on an emergency basis by the petitioner,**

**7.** This Court on perusal of the record further opines that there is no dispute with regard to either the execution of the work of supply of medical equipment on an emergency basis to the Government Hospital or the quantum of the amount payable to the petitioner and the said fact is even admitted by the learned Assistant Government Pleader appearing on behalf of the respondents. This Court opines that once the competent authorities have verified the work executed by the petitioner pertaining to the medical equipment supplied by the petitioner and issued the above Token/FTO numbers, the liability of the respondents to release the admitted amount stands clearly established. However, despite the issuance and approval of the aforesaid FTOs, the respondents have failed to release the payment for a considerable period without assigning any valid reason. In the considered opinion of this Court, withholding the admitted and certified bill amounts for an indefinite period, despite supply of the equipment to the Government Hospitals and acknowledgment of liability by the respondents herein is arbitrary and unjustified. Administrative or financial constraints cannot be accepted as a valid ground to deny payment of amounts legitimately due the petitioner who has executed the work for the Government. Therefore, the respondents are bound to consider the request of the petitioner for release of the admitted, undisputed amounts done payments in respect of the medical equipment supplied by the petitioner, in accordance to law as per petitioner's legal entitlement within a reasonable period.

**8.** This Court opines that when State or Instrumentalities of State Act in an arbitrary manner or fail to act within time the Writ Court has the bounden duty to pass appropriate order, in the interest of justice as held in the various judgments of Apex Court and various other Courts referred to and extracted above.

**9. <u>This Court opines that in the present case admittedly as borne on record the respondents herein failed to act fairly, justly reasonably, and further failed to take any</u>**

<u>decision on petitioner's request for release of the admitted, undisputed, certified payments, in respect of the medical equipment supplied by petitioner to the respondents herein within a reasonable time and duly applying the principle laid down in the judgments of the Apex Court reported in 2019 (16) SCC 794 and 2023(8) SCC 24 (referred to and extracted above) to the facts of the present case, this Court holds that the action of the respondent Government authorities is unfair, unjust and unreasonable towards the petitioner herein.</u>

10. <u>Taking into consideration:-</u>

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

(b) The submissions made by the learned counsel appearing on behalf of the petitioner and the learned Assistant Government Pleader for Finance and Planning Department appearing on behalf of respondent No.1,

(c) The observations in the judgments referred to and extracted above and again enlisted below:

(i) (2019) 16 SCC 794,
(ii) (2023) 8 SCC 240,
(iii) MANU/AP/0721/2022,

(iv) 2021 SCCOnline AP 1410,
(v) The judgment dated 22.03.2022 passed by the High Court of Andhra Pradesh in W.P.No.2511 of 2022,
(vi) The judgment dated 21.04.2025 passed by this Court in W.P.No.11744 of 2025,
(vii) The order dated 03.10.2023 passed by this Court in W.P.No.12655 of 2023,
(viii) AIR 2020 Supreme Court 3969

(d) The discussion and conclusion as arrived at paragraph Nos.5 to 9 of this order,

The Writ Petition is disposed of, directing respondents to verify and consider the request and representations of the petitioner for the release of the admitted, undisputed amounts against the token numbers issued to the petitioner pertaining to the supply of medical equipment to Government hospitals on an emergency basis, in respect of the Token Nos. 1) 2449703156 & dated 27.01.2024 for an amount of Rs.9,69,762/-; 2) 2449703168 & dated 27.01.2024 for an amount of Rs.5,08,737/-; 3) 2449703175 & dated 27.01.2024 for an amount of Rs.14,60,751/-; 4) 2449703185 & dated 27.01.2024 for an amount of Rs.1,78,080/-; 5) 2449703150 & dated 27.01.2024 for an amount of Rs.1,13,108/-; 6) 2449703162 & dated 27.01.2024 for an amount of Rs.8,68,052/-; 7)

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**<u>within a period of four (04) weeks from the date of receipt of a copy of this order duly taking into consideration the observations of the Apex Court and other Courts in the various Judgments referred to and extracted above and pass appropriate orders pertaining to release of the said amount pertaining to the supply of medical equipment to Government hospitals on an emergency basis to the petitioner herein, as per petitioner's legal entitlement. No order as to costs.</u>**

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

**SD/-T. SRINIVASA REDDY**
**ASSISTANT REGISTRAR**

**//TRUE COPY//**

**SECTION OFFICER**

**To,**

1. The Principal Secretary to Government, Finance Department, State of Telangana, Dr. B. R. Ambedkar Telangana Secretariat, Hyderabad.
2. Director of Medical Education, Sultan Bazar, Koti, Hyderabad.
3. The Superintendent, Government General Hospital, Mahabubabad, Mahabubabad District.
4. The Superintendent, Government General Hospital, Wanaparthy, Wanaparthy District
5. The Superintendent, MGM Hospital, Warangal, Warangal District.
6. One CC to SRI. P V RAMANA, Advocate [OPUC]
7. Two CCs to GP FOR FINANCE & PLANNING ,High Court for the State of Telangana At Hyderabad. [OUT]
8. Two CCs to GP FOR MEDICAL & HEALTH DEPARTMENT ,High Court for the State of Telangana At Hyderabad. [OUT]
9. Two CD Copies

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**HIGH COURT** **CC TODAY**

**DATED: 02/03/2026**

**ORDER**

**WP.No.5504 of 2026**



**DISPOSING OF THE WRIT PETITION**

**WITHOUT COSTS**

13 12/6/26