

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

WEDNESDAY, THE SEVENTEENTH DAY OF AUGUST
TWO THOUSAND AND TWENTY TWO

PRESENT

THE HONOURABLE SRI JUSTICE B. VIJAYSEN REDDY

WRIT PETITION Nos.6902, 6929 & 6935 of 2016

WRIT PETITION NO: 6902 OF 2016

Between:

1. G. Govind Murthy, S/o. G. Linga Murthy, Proprietor of M/s. Adithya Pharma, Shop No. 1-6-60/2/A/2, Palsab Gutta, Mahabubnagar-509001.
2. M/s. Adithya Pharma, Rep. by its Managing Partner, G. Govind Murthy, S/o. G. Linga Murthy, Shop No.1-6-60/2/A/2, Palsab Gutta, Mahabubnagar-509001.

...PETITIONERS

AND

1. The State of Telangana, Rep. by its Special Chief Secretary, Medical Health & Family Welfare Department, Secretariat Buildings, Hyderabad-500022.
2. The District Medical & Health Officer, O/o. The D.M. & H.O., Borgaon, Nizamabad-503 001.
3. The District Collector, O/o. The District Collector, Nizamabad-503001.

...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" and declaring of Non-payment of Rs.17,14,900/- towards the payment of purchased life saving drugs and medicines by the 2na Respondent under control of the other Respondents under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated. 9-9-2014 of the 2nd Respondent, purchased from the Petitioners covered under credit bills No.015 to 017 dated. 15-9-2014, for Rs.17,14,900/- of the 2nd Petitioner M/s.Adithya Pharma, H.NO.1-6-60/2/A/2, PALSAB GUTTA, Mahabubnagar, 509001, supplied as per the second work order of the 2nd Respondent [The District Medical & Health Officer, Nizamabad] under Reference No.Rc.No.111-2/Stores/DM&HO/ Nzb/2014 dated. 8-9-2014 as being arbitrary, illegal, discriminatory, violative of Article 14 of the Constitution of

India and Directing the Respondents to immediately pay the amount of Rs.17,14,900/- [Rupees Seventeen Lakhs fourteen thousand nine hundred only] of supplied life saving drugs and medicines covered under credit bills No.015 to 017 dated.9-9-2014, for Rs.17,14,900/- of the 2nd Petitioner M/s. Adithya Pharma, Mahabubnagar-509001, as per second work order of the 2nd Respondent [The District Medical & Health Officer] under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated.8-9-2014 on basing approved file on 8-9-2014 by the 314 Respondent [District Collector] to the Writ petitioners together with interest at 20% per annum from the date of credit bill dated 15-9-2014 to till realization with all consequential benefits, further grant any relief as the Petitioners are entitled.

I.A. NO: 1 OF 2017(WPMP. NO: 8377 OF 2017)

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 3rd respondents immediately to Deposit the due amount of Rs.13,75,054/- (Rupees Thirteen Lakhs Seventy Five thousand fifty four only) towards the remaining payment of the total claim of Rs. 17,14,900/- (Rupees Seventeen Lakhs Fourteen thousands nine hundred only), in the Nationalized bank, under fixed to get interest etc., to safe guard of the payment, towards the supplied life saving drugs and medicines covered under credit bill Nos. 015 to 017 dated: 15-09-2014 of the petitioners, M/s., Adithya Pharma, Mahabubnagar 509001, as per second work order of the 2nd respondent (The District Medical & Health Officer) under Reference No.Rc.No.111- 2/Stores/DM&HO/Nzb/2014 dated: 8.9.2014 on basing approved quotation file dated: 8.9.23014 by the 3rd respondent-District Collector, till pending disposal of the main writ petition.

I.A. NO: 1 OF 2016(WPMP. NO: 8783 OF 2016)

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 3rd Respondent to immediately complete enquiry, verification and investigations if necessary and send back within two weeks to the 2nd Respondent by approving the file covered under the file Reference No. R.C.N0.111-2/Stores/D.M& H.O/Nzd/2014 Date.9-9-2014 with regard to the supplied life saving drugs and medicines covered under credit bills No. 015 to 017 dated 15-9-2014, for Rs.17,14,900/- of the 2nd Petitioner M/s. Adithya

Pharma, Mahabubnagar, as per second work order of the 2nd Respondent (The District medical & Health Officer) under Reference No. Rc.No.111-2/Stores/DM & HO/Nzb/2014 dated 08-09-2014 on basing approved quotation file on 8-9-2014 by the 3rd Respondent -District Collector.

I.A. NO: 2 OF 2017(WPMP. NO: 10062 OF 2017)

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 direct the 3rd respondent-The District Collector, Nizamabad, to immediately deposit the due amount of Rs. 13,75,054/- (Rupees Thirteen Lakhs Seventy Five thousand Fifty Four only) towards the remaining payment of the total claim of Rs.17,14,900/- (Rupees Seventeen Lakhs Fourteen thousands Nine Hundred only) with the 2nd respondent-The District Medical & Health Officer NIZAMABAD, so as to enable the petitioners to withdraw the amount.

Counsel for the Petitioners: SRI. Y.S. YELLA NAND GUPTA

**Counsel for the Respondent Nos.1 & 2: SRI A. SANJEEV KUMAR,
SPECIAL GP FOR MEDICAL HEALTH & FAMILY WELFARE**

Counsel for the Respondent No.3: GP FOR REVENUE

WRIT PETITION NO: 6929 OF 2016

Between:

1. Smt Bondugula Sandhya Rani, Proprietor of M/s. Vedaasree Medical Corporation, Pharmaceutical Distributors, D.No.3-5-98, Shutter No.1, Ground Floor, Sainadgar, Karimnagar-505001.
2. M/s. Vedaasree Medical, Corporation, Pharmaceutical Distributors, Rep. by its Managing Partner, Smt. Bondugula Sandhyarani, W/o. Bondugula Rambabu, D.No.3-5-98, Shutter No.1, Ground Floor, Sainagar, Karimnagar-505001.

...PETITIONERS

AND

1. The State of Telangana, Rep. by its Special Chief Secretary, Medical Health & Family Welfare Department, Secretariat Buildings, Hyderabad-500022.
2. The District Medical & Health Officer, O/o. The D.M. & H.O., Bargaon, Nizamabad-503 001.
3. The District Collector, O/o. The District Collector, Nizamabad-503001.

...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" and declaring of Non-payment of Rs.15,84,900/- towards purchased life saving drugs and medicines by the 2nd Respondent under the control of the other Respondents under Reference No. Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated. 8-9-2014 of the 2nd Respondent, purchased from the Petitioners covered under credit bill No.2CR2098 dated.15-9-2014, for Rs.15,84,900/- of 2nd Petitioner M/s. Vedaasree Medical Corporation Pharmaceutical Distributors, H.No.3-5-98,shutter No.1, Ground floor, Sainagar, Karimnagar-505001; supplied as per the second work order of the 2nd Respondent [The District Medical & Health Officer, Nizamabad] under Reference No. Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated. 8-9-2014 as being arbitrary, illegal, discriminatory, violative of Article 14 of the Constitution of India and Directing the Respondents to immediately pay the amount of Rs.15,84,040/- [Rupees Fifteen Lakhs eighty four thousand forty only] of supplied life saving drugs and medicines covered under credit bill. No.2CR2098 date.15-9-2014, for Rs.15,84,900/- of M/s. Vedaasree Medical Corporation Pharmaceutical Distributors, Karimnagar, as per second work order of the 2nd Respondent [The District Medical & Health Officer] under Reference No. Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated.8-9-2014 on basing approved file on 8-9-2014 by the 3rd Respondent [District Collector] to the Writ petitioners together with interest at 20% per annum from the date of credit bill dated 15-9-2014 to till realization with all consequential benefits, further grant any relief as the Petitioners are entitled, in the interest of natural justice and equity.

I.A. NO: 1 OF 2017(WPMP. NO: 9243 OF 2017)

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 3rd respondents immediately to Deposit the due amount of Rs. 12,32,781/-(Rupees Twelve Lakhs Thirty Two thousands Seven hundred and Eighty one only) towards the remaining payment of the total claim of Rs. 15,84,900/- (Rupees Fifteen Lakhs Eighty Four thousands and nine hundred only), in the Nationalized bank, under fixed to get interest etc., to safe guard of the payment, towards the supplied life saving drugs and medicines covered under credit bill Nos. 2CR2008 dated: 15-092014 for Rs. 15,84,900/- of the petitioners, M/s., Vedaasree Medical Corporation Pharmaceutical Distributors, Karimnagar, as

per second work order of the 2nd respondent (The District Medical & Health Officer) under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated: 8.9.2014 on basing approved quotation file dated: 8.9.2014 by the 3rd respondent-District Collector, till pending disposal of the main writ petition.

I.A. NO: 1 OF 2016(WPMP. NO: 8819 OF 2016)

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 3rd Respondent to immediately complete enquiry, verification and investigations if necessary and send back within two weeks to the 2nd Respondent by approving the file covered under the file Reference No. R.C.NO.111-2/Stores /D.M & H.O/Nzd/2014 Date.9-9-2014 with regard to the supplied life saving drugs and medicines covered under credit bill No.2CR2098 dated.15-9-2014, for Rs.15,84,900/-of M/s. Vedaasree Medical Corporation Pharmaceutical Distributors, Karimnagar, as per second work order of the 2nd Respondent [The District Medical & Health Officer] under Reference No.Rc.No.111 -2/Stores/DM&HO/Nzb/2014 dated.8-9-2014 on basing approved quotation file on 8-9-2014 by the 3rd Respondent [District Collector],

I.A. NO: 2 OF 2017(WPMP. NO: 10608 OF 2017)

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 3rd respondent-The District Collector, Nizamabad, to immediately deposit the due amount of Rs.12,32,781/- (Rupees Twelve Lakhs Thirty Two thousands Seven Hundred Eighty One only) towards the remaining payment of the total claim of Rs. 15,84,900/- (Rupees Fifteen Lakhs Eighty Four thousands Nine Hundred only) with the 2nd respondent-The District Medical & Health Officer NIZAMABAD, so as to enable the petitioners to withdraw the amount.

Counsel for the Petitioners: SRI. B. VENKAT RAMA RAO

**Counsel for the Respondent Nos.1 & 2: SRI A. SANJEEV KUMAR,
SPECIAL GP FOR MEDICAL HEALTH & FAMILY WELFARE**

Counsel for the Respondent No.3: GP FOR REVENUE

WRIT PETITION NO: 6935 OF 2016**Between:**

1. Smt. Katkam Vandana, Proprietor of M/s. Shankar Sai Pharma Distributors, Shop No.7-10-937/H, Opp: Government Hospital, Station Road, Nizamabad-503 001.
2. M/s. Shankar Sai Pharma Distributors, Rep. by Managing Partner, Smt.Katkam Vandana W/o. Katkam Shekaram, Shop No.7-10-937/H, Opp: Government Hospital, Station Road, Nizamabad-503 001.

...PETITIONERS**AND**

1. The State of Telangana, Rep. by its Special Chief Secretary, Medical Health & Family Welfare Department, Secretariat Buildings, Hyderabad-500022.
2. The District Medical & Health Officer, O/o. The D.M. & H.O., Borgaon, Nizamabad-503 001.
3. The District Collector, O/o. The District Collector, Nizamabad-503001.

...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" and declaring of Non-payment of Rs.15,84,040/- towards purchased life saving drugs and medicines by the 2nd Respondent under control of the other Respondents under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated: 8-9-2014 of the 2nd Respondent, purchased from the Petitioners covered under credit bills No.7461 to 7463 dated. 20-9-2014 for Rs.15,84,040/- of the 2nd Petitioner M/s. Shankar Sai Pharma Distributors, Shop No.7-10-937/H, Opp. Govt. Hospital, Station road, Nizamabad - 503001, supplied as per the second work order of the 2nd Respondent (The District Medical & Health Officer, Nizamabad) under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014. dated 8-9-2014 as being arbitrary, illegal, discriminatory, violative of Article 14 of the Constitution of India and Directing the Respondents to immediately pay the amount of Rs.15,84,040/- (Rupees Fifteen Lakhs eighty four thousand forty only) of supplied life saving drugs and medicines covered under credit bills No.7461 to 7463 dated.20-9-2014, for Rs.15,84,040/- of M/s. SHANKAR SAI PHARMA Distributors, Nizamabad, as per second work order of the 2nd Respondent (The District Medical & Health Officer) under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated 8-9-2014 on basing approved file on 8-9-2014 by the 3rd Respondent (District Collector) to the Writ petitioner together with interest at 20%

per annum from the date of credit bills dated 20-9-2014 to till realization with all consequential benefits, further grant any relief as the Petitioners is entitled.

I.A. NO: 1 OF 2016(WPMP. NO: 8829 OF 2016)

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 3rd Respondent to immediately complete enquiry, verification and investigations if necessary and send back within two weeks to the 2nd Respondent by approving the file covered under the file Reference No. R.C.No.111-2/Stores/D.M&H.O/Nzd/2014 Date.9-9-2014 with regards to the supplied life saving drugs and medicines covered under credit bills No.7461 to 7463 dated.20-9-2014, for Rs.15,84,040/- of M/s. Shankar Sai Pharma Distributors, Niazamabad, as per second work order of the 2nd Respondent (The District Medical & Health Officer) under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 on basing approved quotation file on 8-9-2014 by the 3rd Respondent-District Collector,

I.A. NO: 1 OF 2017(WPMP. NO: 8245 OF 2017)

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 3rd respondents immediately to Deposit the due amount of Rs. 7,93,814/-(Rupees Seven lakhs Ninety three thousand eight hundred fourteen only) towards the remaining payment of the total claim of Rs. 15,90,900/- (Rupees Fifteen Lakhs Ninety thousands nine hundred only), in the Nationalized bank, under fixed to get interest etc., to safe guard of the payment, towards the supplied life saving drugs and medicines covered under credit bill Nos. 7461 to 7463 dated: 20-09-2014 of the petitioners, M/s., Shankar Sai Pharma Distributors, Nizamabd503001 as per second work order of the 2nd respondent (The District Medical & Health Officer) under Reference No.Rc.No.111-2/Stores/DM&HO/Nzb/2014 dated: 8.9.2014 on basing approved quotation file dated: 8.9.2014 by the 3rd respondent District Collector, till pending disposal of the main writ petition.

I.A. NO: 2 OF 2017(WPMP. NO: 10347 OF 2017)

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 3rd respondent-The District Collector, Nizamabad, to immediately deposit the due amount of Rs.7,93,814/- (Rupees Seven Lakhs Ninety Three thousands Eight

Hundred Fourteen only) towards the remaining payment of the total claim of Rs.15,90,900/- (Rupees Fifteen Lakhs Ninety thousands Nine Hundred only) with the 2nd respondent-The District Medical & Health Officer NIZAMABAD, so as to enable the petitioners to withdraw the amount.

Counsel for the Petitioners: SRI. B. VENKAT RAMA RAO

**Counsel for the Respondent Nos.1 & 2:SRI A. SANJEEV KUMAR,
SPECIAL GP FOR MEDICAL HEALTH & FAMILY WELFARE**

Counsel for the Respondent No.3: GP FOR REVENUE

The Court made the following: COMMON ORDER

THE HONOURABLE SRI JUSTICE B.VIJAYSEN REDDY

WRIT PETITION Nos.6902, 6929 & 6935 of 2016

COMMON ORDER:

In pursuance of the proceedings dated 15.02.2014 *vide* reference No.111/Stores/DM&HO, Nzb/2014, issued by the 2nd respondent for purchase of life saving drugs and medicines for use in Primary Health Centres (PHCs) and Hospitals, the petitioners in these three writ petitions submitted quotation forms by paying requisite charges. The quotations submitted by the petitioners were opened by the respondents 2 and 3. Having found them eligible, the petitioners were empanelled by respondents 2 and 3. Work orders were also issued by the 2nd respondent, requesting the petitioners to supply drugs and medicines on the basis of approval by 3rd respondent-District Collector.

2. It is the case of the petitioners in W.P.No.6902 of 2016 is that the 2nd respondent has placed second Work Order dated 8.9.2014 for supply of drugs and medicines to a tune of Rs.17,85,883/- by obtaining approval from the 3rd respondent-District Collector dated 8.9.2014. The drugs and medicines were supplied by the petitioners under credit bill dated 15.9.2014. Petitioners submitted several representations to the respondents to pay the bill amount of Rs.17,14,900/-.

3. In W.P.No.6929 of 2016, the grievance of the petitioners is that they have supplied drugs and medicines for the value of Rs.15,84,900/-, however, the 3rd respondent failed to sanction the said amount.

4. The grievance of the petitioners in W.P.No.6935 of 2016 is that the drugs and medicines to a tune of Rs.15,84,040/- was supplied by them and in spite of several representations, the bill amounts were not cleared.

5. It is contended by the learned counsel for the petitioners that pursuant to the directions issued by the then District Collector, Nizamabad, the District Revenue Officer conducted enquiry and submitted report to the 3rd respondent-District Collector. The then District Collector was transferred and the present District Collector did not take any decision pursuant to the report submitted by the District Revenue Officer.

6. (a) The case of the respondents as pleaded in the counter affidavit of 2nd respondent is that the notification dated 15.2.2014 was issued for procurement of drugs, medicines, medical equipment and surgical item for use in Primary Health Centers, Hospitals and FDHs 104 in the district for 49 items by 2nd respondent. The petitioners submitted quotation for supply of medicines and work order has been issued by 2nd respondent to the petitioners individually.

(b) The 2nd respondent has placed work order without approval of District Collector for supply of drugs and medicines from the petitioners. The 3rd respondent has not given sanction to pay amount to the petitioners. On the basis of preliminary enquiry by District Revenue Officer, the District Collector referred the matter to Vigilance and Enforcement Department for causing detailed enquiry with a view to prevent undue loss to the Government. According to the respondents, the earlier DM & HO has preferred to purchase multi composition medicines/drugs from the local market, though same medicines are also available with APSMIDC in single composition mode and available with very lower prices. An amount of Rs.50,00,000/- was released in the year 2012 vide MD, APSMIDC, Hyderabad letter dated 22.5.2012 to procure shortage medicines locally by following decentralized guidelines to meet the emergency needs. The same was not utilized during last three years, but after lapse of three years, the then 2nd respondent proposed for utilization of Rs.50,00,000/- after purchase of said medicines locally comparatively at high rate. It is also stated that the petitioners have supplied the medicines with high rates and a detailed enquiry was conducted as to the procedure followed for procurement of drugs/medicines without the approval of 3rd respondent. On the basis of the preliminary enquiry report of the District Revenue

Officer, Nizamabad, it was found that an amount of Rs.7,50,355-00 has got approval of the then District Collector. The 2nd respondent has mis-guided 3rd respondent seeking approval for purchase of medicines with reserved funds of Rs.50,00,000/-, but no approval was given by the 3rd respondent even though the work order was intentionally given by 2nd respondent behind the back of 3rd respondent.

(c) The 3rd respondent has taken charge on 14.8.2015, but prior to his joining, the then District Collector has already ordered for enquiry by District Revenue Officer, Nizamabad and after receipt of enquiry report, the matter has been referred to Vigilance Department for detailed enquiry and the same is pending.

7. The learned counsel for petitioners Sri B.Venkatarama Rao submitted that the bills payable to the petitioners were delayed for an indefinite period. Petitioners are no way concerned with the vigilance enquiry ordered against the Government officials. The drugs and medicines supplied by the petitioners were recieved by the respondents and were utilized by the concerned Hospitals, Primary Health Centers etc. The payment to the petitioners cannot be denied merely because vigilance enquiry is pending. The respondents have issued notification for supply of drugs and medicines, The petitioners responded to the said notification by



paying the prescribed fee and also deposited EMD amount. Thus, the petitioners are no way concerned with the lapses or mal administration alleged against the respondent authorities. Even assuming that there are lapses, the respondent authorities have to be held responsible and even if there is any loss caused to the Department, the same has to be recovered from the concerned officials. Insofar as petitioners are concerned, it is not the case of the respondents that the petitioners have not supplied drugs and medicines. The petitioners have not colluded with the respondent authorities and no notice was issued to the petitioners before conducting any enquiry by the Vigilance Department.

8. On the other hand, the learned Special Government Pleader Sri A. Sanjeev Kumar appearing on behalf of Department for Medical and Health submitted that the bills of the petitioners were not released as vigilance enquiry is pending. It is also stated that admitted amounts have already been released in favour of petitioners and only disputed amounts are withheld.

9. The Director General, Vigilance and Enforcement Department, Medak Incharge and Ex-Officio Principal Secretary to Government through his letter dated 27.6.2016, stated that the petitioners have quoted exorbitant rates of medicines and recommendations were made to initiate

proceedings against the then DM & HO, Nizamabad, Drug Inspector, Nizamabad, Pharmacist of PHC Indalwai, Nizamabad and three pharma companies (petitioners herein).

10. In the instructions issued by the District Medical and Health Officer, Nizamabad dated 26.2.2020, it was stated that the Government has addressed a letter to the expert committee to finalize the amount to be paid to the firms who supplied medicines and drugs to the District Medical and Health Officer, Nizamabad and as per the expert committee report, part payment was made to petitioner firms. Pursuant to the recommendations of the Director General, Vigilance and Enforcement Department, G.O.Rt.No.273, HM & FW (VC1) Department dated 14.5.2019 was issued, appointing Sri C.Sammi Reddy, IFS (Retd.) as Inquiry Officer to enquire into the charges framed against the Government Servants. Notices have been issued to the charged officers and the outcome of the findings of the enquiry is not known.

11. The learned Special Government Pleader Sri A.Sanjeev Kumar, on instructions, submitted that so far the enquiry initiated has not been concluded due to lockdown and events related to Covid-19 Pandemic.

12. It is not in dispute that the petitioners have supplied drugs and medicines to the respondents and the same have been utilized by hospitals and Primary Health Centers. The only objection as it appears from the record, is that the petitioners have colluded with the respondent authorities in quoting exorbitant rates. However, pursuant to the recommendations of the Director General, Vigilance and Enforcement Department, departmental enquiry has been initiated against the officials, but so far no action has been initiated pursuant thereto.

13. There is no material placed before the Court to show that in any way petitioners have colluded with the respondents and are responsible for the lapses committed by respondents. The fact remains that the petitioners have supplied drugs and medicines as per the orders placed by the respondent authorities. Though the enquiry report points out that exorbitant rates have been quoted by the petitioners, it would be unjust to deprive the petitioners of their dues for the supplies made, more so because petitioners have responded to the notification issued by respondents inviting quotations for supply of drugs and medicines. It is not the case of the respondents that the petitioners have grabbed the supply contracts by backdoor methods.

14. In the case of petitioners in W.P.No.6902 of 2016, it is stated that initial order was placed for a sum of Rs.7,50,355/- was duly supplied by the petitioners and amount was paid vide cheque dated 28.8.2014 for a sum of Rs.7,49,825/-. There is an inordinate delay in conclusion of enquiry and decision of the Government pursuant to the report of the Director General, Vigilance and Enforcement Department. Even if it is to be assumed that the officials are responsible for causing loss to the State Exchequer, appropriate proceedings have to be initiated against them for recovery of amounts, apart from the disciplinary action.

15. Having heard the learned counsel for the petitioners and the learned counsel for respondents and perusing the record, this Court is of the considered opinion that the petitioners are no way responsible for the lapses committed by the Government officials. Petitioners supplied drugs and medicines as per the rates quoted by them and the medicines were received and consumed by the concerned hospitals/PHCs. The contention of learned counsel for the petitioners that the petitioners were not put on notice and unilateral decision is taken to withhold the monies payable to them, is not rebutted by the learned Special Government Pleader. Evidently, the action of the respondents in withholding payments is in violation of principles of natural justice. Thus, the petitioners cannot be

deprived of their dues merely because the decision of the Government is pending on the vigilance enquiry.

16. In view of the above observations and having regard to the facts and circumstances of the case, the writ petitions are allowed, directing the respondents to release the bill amounts as claimed by the petitioners herein within a period of three weeks from the date of receipt of a copy of this order. The respondents are given liberty to insist for undertaking from the petitioners that they shall reimburse the loss, if any, caused to the state exchequer. The miscellaneous applications, if any, shall stand closed. There shall be no order as to costs.

That Rule Nisi has been made absolute as above.

**Witness the Hon'ble the Chief Justice UJJAL BHUYAN, on this
Wednesday, the Seventeenth day of August, Two Thousand and Twenty Two.**

**SD/- P. PADMANABHA REDDY
ASSISTANT REGISTRAR**

//TRUE COPY//

SECTION OFFICER

To,

1. The Special Chief Secretary, Medical Health & Family Welfare Department, State of Telangana, Secretariat Buildings, Hyderabad-500022.
2. The District Medical & Health Officer, O/o. The D.M. & H.O., Borgaon, Nizamabad-503 001.
3. The District Collector, O/o. The District Collector, Nizamabad-503001.
4. One CC to Sri Y.S. Yella Nand Gupta, Advocate [OPUC]
5. Two CCs to GP for Medical Health and Family Welfare, High Court for the State of Telangana at Hyderabad. [OUT]
6. Two CCs to GP for Revenue, High Court for the State of Telangana at Hyderabad. [OUT]
7. Two CCs to the Additional Advocate General, High Court for the State of Telangana at Hyderabad. [OUT]
8. One CC to Sri B. Venkat Rama Rao, Advocate [OPUC]
9. Two CD Copies
10. One Spare Copy

**CHR
GJP**

HIGH COURT

DATED:17/08/2022

COMMON ORDER



W.P.Nos.6902, 6929 & 6935 of 2016

**ALLOWING THE WRIT PETITIONS
WITHOUT COSTS**

(14) $\frac{v/v}{29/9/22}$