IN THE HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD

FRIDAY, THE THIRTY FIRST DAY OF JULY
TWO THOUSAND AND TWENTY SIX

PRESENT

THE HONOURABLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH
AND
THE HONOURABLE SRI JUSTICE G.M. MOHIUDDIN

WRIT APPEAL NO: 744 OF 2026

Writ Appeal under clause 15 of the Letters Patent Appeal Filed against the Order dated 07/04/2026 in writ Petition No.8721 of 2026. on the file of the High Court.

Between:

M/s Balaji Constructions, Rep by its Proprietor, Sri P.V. Krishna Reddy S/o Sri P. Subba. Rami Reddy, Aged 58 Years, Occu- Civil Contractor, R/o Flat No.102, Taj Residency, Venkateshwara Enclave Suchitra Circle, Hyderbad-500067.

...APPELLANT

AND

1. The State of Telangana, Rep. By its Prl. Secretary, Finance Department, Secretariat Buildings, Hyderabad, Telangana State.
2. The State of Telangana, Rep. by Addl. Secretary, Finance Department, Secretariat Buildings, Hyderabad, Telangana State.
3. The Deputy Director, Pay and Accounts Officer, Sanga Reddy, Sanga Reddy District.
4. Assistant Pay and Accounts Officer, Works and Projects, Sanga Reddy, Sanga Reddy District.
5. The State of Telangana, Rep. by its Prl. Secretary, Panchayat Raj and Rural Development Department, Secretariat Buildings, Hyderabad, Telangana State.
6. The Engineer-in-Chief, Rural Water Supply and Sanitation, Mission Bhagiratha, S.R.K. TGN Bhavan, Erramanzil, Hyderabad.
7. The Superintendent Engineer, M.B (Mission Bhagi.ratha) Circle, Sangareddy, at Sangareddy.
8. The Executive Engineer, M.B.Intra Division (Mission Bhagiratha), Sangareddy, at Sangareddy.
9. The Deputy Executive Engineer, M.B.Intra Sub-Division (Mission Bhagiratha), Hatnoora, at Hatnoora, Sangareddy District.

...RESPONDENTS

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 order of the learned single judge dated 07-04-2026 in W.P.No.8721 of 2026, to the extent of non-granting of interest for the past period i.e from September 2023 to June 2026, while disposing of the writ petition to release the admitted bills as is arbitrary, illegal and direct the respondents to release the admitted bills with 18% interest from September 2023 to till the date of actual payment

Counsel for the Appellant: SRI. A YADAVA REDDY

Counsel for the Respondent Nos. 1to4: SRI MOHAMMED HUSSAIN ,
GP FOR FINANCE PLANNING

Counsel for the Respondent Nos. 5to9: Ms. SHAZIA PARVEEN,
GP FOR PANCHAYAT RAJ
AND RURAL DEVELOPMENT DEPARTMENT

The Court made the following: JUDGMENT

IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT HYDERABAD

THE HON'BLE THE CHIEF JUSTICE SRI APARESH KUMAR SINGH

AND

THE HON'BLE SRI JUSTICE G.M.MOHIUDDIN

WRIT APPEAL No.744 of 2026

Dated:31.07.2026

Between:

M/s. Balaji Constructions

...Appellant

and

The State of Telangana,
Rep. by its Principal Secretary, Finance Department,
Secretariat Buildings, Hyderabad,
Telangana State,
and 8 others.

...Respondents

JUDGMENT:

Learned counsel Sri A.Yadava Reddy appears for the appellant.

Sri Mohammed Hussain, learned Government Pleader for Finance and Planning Department, appears for respondents No.1 to 4.

Ms. Shazia Parveen, learned Government Pleader for Panchayat Raj and Rural Development Department, appears for respondents No.5 to 9.

2. The present appeal is preferred against the judgment passed by the learned writ court in W.P.No.8721 of 2026 dated 07.04.2026.

3. In respect of a claim for release of contractual dues under an agreement with the State department, the learned writ court issued the following direction:

> "11. In view of the above, this Court deems it appropriate to direct the official respondents to undertake the exercise of releasing the payments to the petitioner in respect of the admitted bills, within a period of sixty (60) working days from the date of receipt of copy of this order. In the event of failure to make payment within the said period, the outstanding amount shall carry 18% interest per annum, for the period of delay beyond the stipulated sixty (60) days. However, such delay shall not, in any event, extend beyond a further period of one (1) month thereafter."

4. The petitioner, who is the appellant herein, is aggrieved, as the interest has not been allowed from the date on which the bills were due.

5. In a case of such contractual payment, in exercise of writ jurisdiction, grant of interest is not based upon any enforceable legal right, but rather on grounds of equity. The learned writ court has already granted 18% interest per annum from the date of expiry of

stipulated period of sixty days. Therefore, we do not find any error in the impugned judgment.

6. Learned counsel for the appellant has placed reliance upon a decision of the learned Coordinate Bench of this Court in **State of Telangana v. M/s. Raghava-PLR (JV)** (W.A.No.1081 of 2023, dated 12.12.2023), where the rate of interest awarded at 9% per annum was reduced to 6% per annum, however, payable from the date when the amount became due under the contract till the payment is made.

7. The facts of the present case are not exactly similar to the decision cited by the learned counsel for the appellant in **M/s. Raghava-PLR (JV)** (supra). The said decision was rendered in a writ appeal preferred by the aggrieved State against the direction to release the payments to the writ petitioner on the higher rate of interest at 9% per annum.

8. The principle as regards grant of interest in writ jurisdiction in respect of contracts entered into between the parties is well settled. In such circumstances, we are of the view that the judgment of the learned writ court granting interest at 18% per annum on the admissible amount

beyond the period of 60 days needs no interference. Therefore, we do not find any reason to interfere in the impugned judgment.

9. The writ appeal is accordingly dismissed. There shall be no order as to costs.

Miscellaneous applications pending, if any, shall stand closed.

SD/- MOHD. ISMAIL
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. One CC to SRI. A YADAVA REDDY Advocate [OPUC]
2. Two CCs to GP FOR FINANCE AND PLANNING, High Court for the State of Telangana, at Hyderabad [OUT]
3. Two CCs to GP FOR PANCHAYAT RAJ AND RURAL DEVELOPMENT, High Court for the State of Telangana, at Hyderabad [OUT]
4. Two CD Copies

BM
TKS

HIGH COURT

DATED: 31/07/2026

JUDGMENT
WA.No.744 of 2026



DISMISSING THE WRIT APPEAL
WITHOUT COSTS

(8)
NIT
12/8/26