



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 28TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

WRIT PETITION NO. 11037 OF 2026 (GM-RES)

BETWEEN:

H K MAHALINGAPPA
S/O. S KAVALLAIAH.
AGE 57 YEARS
MANAGING DIRECTOR
SRI. MANJU ELECTRO POWER PVT.LTD.
R/O.BELAKU NILAYA
1ST MAIN, 3RD A CROSS.
HANUMANTHA NAGARA TUMAKURU.
AT PO. DIST. TUMAKURU - 572 133.

...PETITIONER

(BY SRI. BASAVARAJAIAH NEGAWADI, ADVOCATE)

AND:

1. STATE OF KARNATAKA
DEPARTMENT OF ENERGY
REP BY-ITS SECRETARY
VIKAS SOUDHA
BENGALURU - 560 001.
2. THE CHIEF ENGINEER ELECTRICITY
TENDERING AND PROCUREMENT KPTCL.
KAVERI BHAVAN, BENGALURU - 560 009.
3. EXECUTIVE ENGINEER.(ELE)
MAJOR WORKS DIVISION KPTCL.
TUMAKURU
AT PO. (DIST) TUMAKURU - 572 102.

...RESPONDENTS

(BY SMT. NAVYA SHEKAR, AGA FOR R1;
SRI. H V DEVARAJ, ADVOCATE FOR R2 AND R3)



THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO I) TO ISSUE THE WRIT IN THE NATURE OF MANDAMUS DIRECTING THE RESPONDENTS NOT TO DEDUCT FIVE TIMES OF PENALTY ON THE ROYALTY AMOUNT, FROM THE BILLS OF THE PETITIONER.AS PER ANNES-E TO H. D-10-3-2026 AND ETC.

THIS WRIT PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SACHIN SHANKAR MAGADUM

ORAL ORDER

The captioned petition is filed seeking the following reliefs:

"i) To issue the writ in the nature of mandamus directing the respondents not to deduct five times of penalty on the royalty amount, from the bills of the petitioner as per Annex-E to H. D-10-3-3026.

ii) To issue any other writ orders or directions as this Hon'ble Court deems fit in the circumstances of this case in the interest of justice.

iii) To grant the cost of these petitions in the interest of justice."



2. Heard the learned counsel appearing for the petitioner and the learned Additional Government Advocate appearing for the respondents. Perused the material on record.

3. The learned counsel for the petitioner, reiterating the grounds urged in the writ petition and drawing the attention of this Court to the documents placed on record, would vehemently contend that the controversy involved in the present writ petition is no longer *res integra*. Placing strong reliance on the order dated 12.11.2020 passed by a Co-ordinate Bench of this Court in ***W.P.No.10331/2020 (G.O. Raju vs. State of Karnataka and Others)***, learned counsel would submit that the issue arising in the present case stands directly and squarely covered by the said judgment. He would therefore urge that the present writ petition be disposed of in terms of the directions issued in the aforesaid case. Learned counsel would further submit that the action of the respondents in deducting penalty amounts from the



running bills of the petitioner is wholly unsustainable in law and consequently, appropriate directions are required to be issued to the respondents to refund the penalty amount already recovered, together with applicable interest.

4. Per contra, the learned Additional Government Advocate appearing for the respondents, while not disputing the applicability of the judgment rendered in ***G.O. Raju's*** case to the facts of the present case, would contend that the respondents are nevertheless entitled to effect recovery towards royalty strictly in terms of the contractual stipulations contained in the tender document and the agreement entered into between the parties. It is his submission that such deduction towards royalty cannot be faulted, as the same is in consonance with the agreed terms governing the contract.

5. Having bestowed anxious consideration to the rival submissions made by the learned counsel on both



sides and upon careful perusal of the material on record, this Court finds that the issue in controversy, insofar as prayer No.(i) is concerned, is directly covered by the judgment rendered by the Co-ordinate Bench of this Court in **G.O. Raju's** case supra. In the said judgment, this Court, while considering an identical issue, has held that though the Department is entitled to deduct royalty in terms of the contractual clause, any deduction in excess thereof would be impermissible in law. The relevant portion of the said order reads thus:

6. In view of the authoritative pronouncement of the Co-ordinate Bench and having regard to the undisputed position that the present case stands on identical footing, this Court is of the considered opinion that the petition deserves to be disposed of in terms of the said judgment.

7. Accordingly, this Court proceeds to pass the following:



ORDER

(i) The writ petition is hereby disposed of;

(ii) The respondents are directed to effect deduction of royalty from the bills of the petitioner strictly in accordance with the terms and conditions of the tender documents and in consonance with the law laid down in **G.O. Raju's** case referred to supra;

(iii) It is made clear that, apart from the permissible deduction towards royalty, the respondents shall not deduct or recover any amount by way of penalty from the bills of the petitioner; and

(iv) If any amount has already been recovered towards penalty, the respondents shall refund the same to the petitioner, in accordance with law, within a reasonable period.

Sd/-
(**SACHIN SHANKAR MAGADUM**)
JUDGE