

**IN THE HIGH COURT FOR THE STATE OF TELANGANA
AT HYDERABAD**

(Special Original Jurisdiction)

**FRIDAY, THE SIXTH DAY OF MARCH
TWO THOUSAND AND TWENTY SIX**

PRESENT

THE HONOURABLE SRI JUSTICE NAGESH BHEEMAPAKA

WRIT PETITION NO: 16580 OF 2019

Between:

M/s. Pragathi Leasing and Developers, having its office at 6-3-569, 3rd Floor, BMW Building, Opp. RTA Office, Khairatabad, Hyderabad - 500 082, Rep. by its Partner Sri. Pandu Ranga Rao, S/o. Late P.Narayan Rao.

...PETITIONER

AND

1. The State of Telangana, Rep. by its Principal Secretary, Energy Department, Secretariat, Hyderabad.
2. The Southern Power Distribution Company of T.S. Ltd., Khairatabad, Hyderabad.
3. The Divisional Engineer, Operation/ Medchal Circle.
4. The Assistant Divisional Engineer, Operation/ Medchal Circle.
5. The Asst. Engineer, Operation/TSSPDCL, Medchal Circle.
6. The Superintending Engineer/Operation, Medchal Circle.
7. M/s Sri Abhishek Steels and Power Limited,, (Previously known as Abhishek Steels Limited) Represented by its Authorized Representative Shri Yash Agarwal, O/o. Flat No. 104, Vjaya Enclave, Sri Nagar Colony, Punjagutta, Hyderabad 500073.

R7 impleaded as per C.O.dt.27.11.2025 in IA No.1/2024.

...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, one more particularly in the nature of a Writ of Mandamus declaring the order of the 2nd Respondent dated

10.04.2018 rejecting permission for new connection and set aside the same and consequently direct the Respondents to provide new electricity service connection to the petitioners property at Sy. No.71, 72 and 73 of Gundla Pochampally (Village), Medchal (Mandal), Rangareddy District

IA NO: 1 OF 2019

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 Respondents to provide new electricity connection to the petitioners property at Sy. No.71, 72 and 73 of Gundla Pochampally (Village), Medchal (Mandal), Rangareddy District, pending the disposal of the writ petition.

IA 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 list the matter for being mentioned for recording the above undertaking in the order dated 06.03.2026 in WP. 16580 of 2019.

IA NO: 2 OF 2019

Between:

1. The Southern Power Distribution Company of T.S. Ltd., Khairatabad, Hyderabad.
2. The Divisional Engineer, Operation/ Medchal Circle.
3. The Assistant Divisional Engineer, Operation/ Medchal Circle.
4. The Asst. Engineer, Operation/TSSPDCL, Medchal Circle.
5. The Superintending Engineer/Operation, Medchal Circle.

...PETITIONERS/RESPONDENTS

AND

1. M/s. Pragathi Leasing and Developers, having its office at E-3-569, 3rd Floor, BMW Building, Opp. RTA Office, Khairatabad, Hyderabad - 500 082, Rep. by its Partner Sri. Pandu Ranga Rao, S/o. Late P.Narayan Rao.

.....RESPONDENT/PETITIONER

2. The State of Telangana, Rep. by its Principal Secretary, Energy Department, Secretariat, Hyderabad.

.....RESPONDENT/RESPONDENT No.1

...RESPONDENTS

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 vacate the interim orders passed on 06-08-2019 in I.A. No. 1 of 2019 in W.P. No. 16580 of 2019 and dismiss the Writ Petition.

IA NO: 1 OF 2025

Between:

M/s Sri Abhishek Steels and Power Limited,, (Previously known as Abhishek Steels Limited) Represented by its Authorized Representative Shri Yash Agarwal, O/o. Flat No. 104, Vjaya Enclave, Sri Nagar Colony, Punjagutta, Hyderabad 500073.

... VACATE PETITIONER/RESPONDENT NO.7

AND

1. M/s. Pragathi Leasing and Developers, having its office at 6-3-569, 3rd Floor, BMW Building, Opp. RTA Office, Khairatabad, Hyderabad - 500 082, Rep. by its Partner Sri. Pandu Ranga Rao, S/o. Late P.Narayan Rao.

.....RESPONDENT/WRIT PETITIONER

2. The State of Telangana, Rep. by its Principal Secretary, Energy Department, Secretariat, Hyderabad.
3. The Southern Power Distribution Company of T.S. Ltd., Khairatabad, Hyderabad.
4. The Divisional Engineer, Operation/ Medchal Circle.
5. The Assistant Divisional Engineer, Operation/ Medchal Circle.
6. The Asst. Engineer, Operation/TSSPDCL, Medchal Circle.
7. The Superintending Engineer/Operation, Medchal Circle.

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 vacate the interim orders dt. 06.08.2019 in IA. No. 1 of 2019 in WP. No. 16580 of 2019 and dismiss the Writ petition bearing WP No. 16580 of 2019.

Counsel for the Petitioner: SRI P. SRI HARSHA REDDY

Counsel for the Respondent No 1: GP FOR ENERGY

**Counsel for the Respondents No 2 To 6: SRI P. SREEDHAR REDDY,
STANDING COUNSEL FOR TGSPDCL**

Counsel for the Respondent No 7: M/S PILLIX LAW FIRM

The Court made the following: ORDER

**IN THE HIGH COURT OF JUDICATURE FOR THE STATE OF
TELANGANA
HON'BLE SRI JUSTICE NAGESH BHEEMAPAKA**

WRIT PETITIONS No. 16580 OF 2019

06.03.2026

Between:

M/s Pragathi Leasing & Developers
Rep. by its Partner Sri Pandu Ranga Rao

..... Petitioner

And

The State of Telangana,
Rep. by its Principal Secretary,
Energy Department & others

..... Respondents

ORDER:

This Writ Petition is filed to set aside the order dated 10.04.2018 whereby the 2nd respondent – Southern Power Distribution Company of T.S Ltd. (TGSPDCL) rejected permission for new connection and to consequently direct Respondent authorities to provide new electricity service connection to petitioner's property situated at Survey Nos. 71, 72 and 73 of Gundla Pochampally Village, Medchal Mandal, Ranga Reddy District.

2. Petitioner claims to have purchased land and building belonging to the 7th respondent in the mentioned survey numbers admeasuring Acs.20.30 guntas situated in an open auction conducted on 22.09.2017, for a total

consideration of Rs. 53,83,00,000/- (Rupees Fifty Three Crores and Eighty Three Lakhs only); pursuant thereto, a Sale Certificate dated 11.12.2017 was also issued which was registered as Doc. No. 9756 of 2017 on the file of the Sub-Registrar, Medchal and physical possession was also delivered to petitioners.

2.1. It is stated, when petitioner made an Application for grant of new Service Connection dated 05.03.2018, it was rejected by the Respondent authorities through the impugned proceedings dated 10.4.2018 stating that as there was already an existing Service Connection in the name of the 7th respondent which has an outstanding electricity dues of Rs. 48,07,878.72 (as on 23.12.2014), no new Service Connection can be granted.

3. By order dated 06.08.2019, this Court granted interim direction to respondents to provide electricity connection to petitioner's subject property without insisting them to pay the outstanding dues of the erstwhile owner i.e. M/s Abhishek Steels, in terms of the Regulations.

4. Learned counsel for Petitioner Sri P. Sr Harsha Reddy submits that his client purchased the property in the open public auction which was conducted under the provisions of the SARFAESI Act, 2002, hence, in view of Section 26E of

the Act priority should be provided to the secured creditors. Since there is no charge on the property, respondents cannot insist the subsequent purchaser for payment of arrears. According to him, there are no encumbrances pertaining to Electricity Department. He relied on the judgments of the Hon'ble Supreme Court in **Ahmedabad Electricity Co. Ltd. v. Gujarat Inns (P) Ltd.¹**, **Isha Marbles v. Bihar State Electricity Board²** and **Southern Power Distribution Company of Telangana Limited v. Gopal Agarwal³**.

5. Learned Standing Counsel for Respondents 2 to 6 (TGSPDCL) Sri P. Sreedhar Reddy, based on the counter submits that power supply was released to the 7th respondent *vide* HT SC No. MCL 418 on 26.03.1988 and it was disconnected on 03.04.2013 for non-payment of Current Consumption charges by which date there were pending dues of Rs. 48,07,872/-. Learned Standing Counsel further contends that as per Clause 5.9.4.3 of General Terms and Conditions of Supply (GTCS), no new service connection can be issued for a property unless its old dues are cleared. It is further contended that as the 7th respondent did not clear the dues, proceedings were initiated under APSEB (Recovery of

¹ (2004) 3 SCC 587

² (1995) 2 SCC 648

³ (1995) 2 Supreme Court Cases 648

Dues) Act, 1984 by issuing Notices in Form 'A', 'B' and 'C' and also revenue recovery proceedings were initiated by attaching the immovable properties. At that stage, the Bank which had lien over the property, had sold the same in open auction in 'as is where is and whatever is' basis and petitioner being the highest bidder was issued the Sale Certificate.

5.1. Learned Standing Counsel submits that petitioner is liable to pay the pending dues of previous owner, therefore there is no illegality or irregularity in issuing the impugned proceedings. The Learned Standing Counsel for TGSPDCL further contends that the issue of payment of dues of previous owners is no more *res-integra* in view of the judgment of the Hon'ble Supreme Court in **Telangana State Southern Power Distribution Company Limited v. Srigdhaa Beverages**⁴, which was further reiterated by a 3-Judge Bench in **K.C. Ninnan v. Kerala State Electricity Board**⁵ and therefore prays to dismiss the Writ Petition.

6. M/s Pillix Law Firm, learned counsel for the 7th respondent, based on the counter-affidavit, made their submissions. It is argued that as per the terms and conditions annexed to the sale certificate dated 06.12.2017, particularly condition Nos. 2 and 4, the property was sold on 'as is where is

⁴ (2020) 6 SCC 404

⁵ (2023) 14 SCC 431

and whatever there is' basis, hence, electricity arrears, being statutory liabilities are required to be cleared by the successful bidder / petitioner. It was incumbent upon petitioner to inquire about outstanding statutory liabilities before bidding and they are responsible for clearing all electricity dues to obtain a new service connection as per e-auction sale terms.

6.1. Learned counsel relied on the judgments of the Hon'ble Supreme Court in **Srigdhaa Beverages case** and also **Paschimanchal Vidyut Vitran Nigam Ltd. v. DVS Steels and Alloys (P) Ltd.**⁶ and contends that if statutory rules govern the conditions for supply of electricity, the distributor can insist upon fulfilment thereof and a condition for clearance of dues cannot be termed arbitrary or unreasonable. Reliance is also placed on the judgment in **Haryana State Electricity Board v. Hanuman Rice Mills**⁷.

7. On considering the rival submissions, it is to be seen, the Hon'ble Apex Court in **K.C.Ninnan's** case (supra) had already held that the present owner of the property is liable to pay the electricity dues of the previous owner. Para 342.2 of the said judgment reads that "*the duty to supply electricity under Section 43 is with respect to the owner or occupier of the premises. The 2003 Act contemplates a synergy between the*

⁶ (2009) 1 SCC 210

⁷ (2010) 9 SCC 145

consumer and the premises. Under Section 43, when electricity is supplied, the owner or occupier becomes a consumer only with respect to those particular premises for which electricity is sought and provided by the Electric Utilities". Para 342.4 of the judgment reads that "A condition of supply enacted under Section 49 of the 1948 Act requiring the new owner of the premises to clear the electricity arrears of the previous owner as a precondition to availing electricity supply will have a statutory character". Further, Para 342.6 of the judgment reads that "The Electricity Supply Code providing for recoupment of electricity dues of a previous consumer from a new owner have a reasonable nexus with the objects of the 2003 Act".

8. Admittedly, petitioner purchased the subject property in September 2017 in open public auction and applied for new Service Connection thereafter. Since Electricity Act, 2003 has come into effect from 10.6.2003 and in view of the judgments of the Hon'ble Supreme Court mentioned supra, all the dues thereafter, are liable to be paid by the subsequent purchaser. The judgments relied on by learned counsel for petitioner are not applicable to the facts of the present case. This Court therefore, sees no grounds to interfere with the demand notice issued by Respondent authorities, hence, of the view that Writ Petition is liable to be dismissed.

9. Accordingly the Writ Petition is dismissed. No costs.

10. Consequently, the miscellaneous Applications, if any shall stand closed.

//TRUE COPY//

SD/- B.REKHA RANI
ASSISTANT REGISTRAR
SECTION OFFICER

To,

1. One CC to SRI. P SRI HARSHA REDDY, Advocate [OPUC]
2. One CC to M/S PILLIX LAW FIRM, Advocates [OPUC]
3. Two CCs to GP FOR ENERGY, High Court for the State of Telangana At Hyderabad. [OUT]
4. One CC to SRI P. SREEDHAR REDDY, Advocate [OPUC]
5. Two CD Copies

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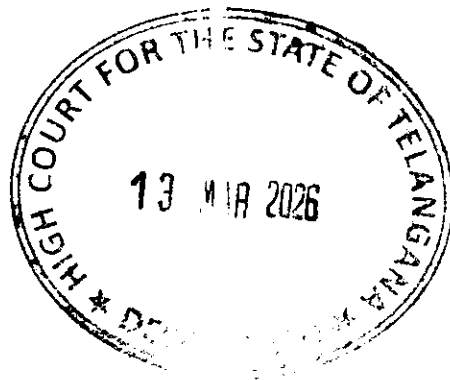
Jks

HIGH COURT

DATED:06/03/2026

ORDER

WP.No.16580 of 2019



DISMISSING THE WRIT PETITION

WITHOUT COSTS

(8) — JKs
13/3/26.