IN THE HIGH COURT FOR THE STATE OF TELANGANA

AT: HYDERABAD

HON'BLE SRI JUSTICE K. LAKSHMAN
AND
HON'BLE SRI JUSTICE B. R. MADHUSUDHAN RAO

WRIT PETITION NO. 28859 OF 2025

Date: -04-2026

Between in WP No. 28859 of 2025

Telangana Hospitals and Nursing Homes
Association and others …Petitioners

And

Union of India rep. by its Under Secretary,
Ministry of Environment, Forest and Climate
Change and others ……Respondents

This Court made the following

ORDER

Heard Mr. Vedula Srinivas, learned Senior Counsel representing Mrs. Vedula Chitralekha, learned counsel for the petitioners, Mr. N. Bhujanga Rao, learned Deputy Solicitor General of India appearing for respondent No.1. Mr. Zeeshan Adnan Mahmood, learned counsel for respondent No.4, learned Government Pleader for

Environment, Science and Technology for respondent No.2, Mr. Kondapally Ravikrishnakanth, learned counsel for respondent No.3 and Mr. Shyam S. Agarwal, learned counsel for respondent Nos.5 to 15.

2. The present Writ Petition is filed under Article 226 of the Constitution of India challenging the validity of Guideline No. 14 issued by Respondent No. 3 – Central Pollution Control Board (CPCB) under the "Guidelines for Common Bio-Medical Waste Treatment and Disposal Facilities, 2025", and the consequential Circular No. TGPCB/BMW/HO/2025-655 dated 04.06.2025 issued by Respondent No. 4 – Telangana Pollution Control Board (TGPCB).

3. The petitioners comprise of registered association of hospitals and its member healthcare facilities functioning in the State of Telangana, all of whom fall within the definition of "occupiers" under the Bio-Medical Waste Management Rules, 2016, framed under the Environment (Protection) Act, 1986 (for short 'the Act, 1986').

4. The CPCB, in exercise of its statutory powers, issued revised guidelines dated 12.04.2025 governing Common Bio-Medical Waste Treatment Facilities (CBMWTFs). Guideline No. 14 thereof provides for fixation of user charges payable by healthcare facilities, prescribing a differential methodology, charging non-bedded facilities on the basis of waste generation, while charging bedded hospitals on a "per bed per day" basis.

5. Pursuant thereto, Respondent No. 4 issued the impugned Circular dated 04.06.2025 fixing user charges in the State of Telangana by adopting the said differential mechanism, thereby requiring bedded healthcare facilities to pay charges on a per bed per day basis, irrespective of actual waste generated, while non-bedded facilities are charged differently.

6. The petitioners contend that such classification between bedded and non-bedded healthcare facilities, in the matter of levy of user charges, is arbitrary, lacks statutory backing, and imposes an

unreasonable financial burden, particularly where occupancy rates are low.

7. Aggrieved by the said guideline and circular, the petitioners have approached this Court seeking a declaration that the same are discriminatory and violative of Article 14 of the Constitution of India, along with a consequential direction for uniform charging based on actual waste generation.

8. **CONTENTIONS OF THE PETITIONERS**

i. The impugned Guideline No. 14 issued by Respondent No. 3 and the consequential Circular dated 04.06.2025 issued by Respondent No. 4 are wholly arbitrary, unreasonable, and violative of Article 14 of the Constitution of India.

ii. The petitioners, being “occupiers” under the Bio-Medical Waste Management Rules, 2016, are statutorily obligated to ensure safe handling and disposal of bio-medical waste. However, neither the provisions of the Environment (Protection) Act, 1986 nor the BMWM Rules, 2016 confer any

power upon the respondents to prescribe or enforce a differential pricing mechanism for collection and disposal of such waste.

iii. The primary grievance of the petitioners is directed against the classification introduced under Guideline No. 14, whereby bedded healthcare facilities are charged on a "per bed per day" basis, while non-bedded healthcare facilities are charged on the basis of actual waste generation. According to the petitioners, such classification is artificial, lacks *intelligible differentia,* and bears no rational nexus to the object sought to be achieved, namely safe and efficient disposal of bio-medical waste.

iv. The quantity of bio-medical waste generated by a healthcare facility is not dependent on the number of beds available, but on actual usage, patient inflow, and nature of medical procedures conducted. Consequently, levying charges on a per bed per day basis, irrespective of actual waste generation, results in an arbitrary and excessive financial burden on bedded healthcare facilities, particularly in cases of low occupancy.

v. There is no functional or operational distinction, insofar as collection, transportation, and disposal of bio-medical waste are concerned, between bedded and non-bedded healthcare facilities. The services rendered by CBMWTF operators remain identical, and therefore, adopting different yardsticks for determining charges is discriminatory and unjustified.

vi. The impugned action amounts to hostile discrimination against bedded healthcare facilities, as they are compelled to pay higher charges without any corresponding increase in services or benefits. Such unequal treatment, according to the petitioners, squarely falls foul of the equality clause under Article 14 of the Constitution.

vii. The petitioners had submitted representations to Respondent No. 4 seeking uniform fixation of charges based on actual weight of bio-medical waste for all categories of healthcare facilities. However, the said representations were arbitrarily rejected without assigning any cogent reasons, thereby vitiating the decision-making process.

viii. The impugned guideline and circular, being devoid of statutory backing and issued without proper application of mind, are liable to be struck down as unconstitutional, and a direction ought to be issued to the respondents to adopt a uniform and rational method of charging based on actual waste generated.

9. **CONTENTIONS OF RESPONDENT No. 3- (CPCB)**,

i. The writ petition is misconceived, both on facts and in law, and is liable to be dismissed in limine.

ii. The CPCB is a statutory authority constituted under the Environment (Protection) Act, 1986 and is vested with the power to issue guidelines for effective implementation of the Bio-Medical Waste Management Rules, 2016 across the country. The guidelines issued by the CPCB are binding in nature and are intended to ensure uniformity, environmental safety, and scientific handling of bio-medical waste.

iii. the Guidelines for Common Bio-Medical Waste Treatment and Disposal Facilities, 2025 have been issued after due

consideration of technical, environmental, and operational factors, and are in furtherance of the statutory scheme under the 1986 Act and the BMWM Rules, 2016. Guideline No. 14, which deals with the fixation of user charges, is a policy decision taken to balance the interests of healthcare facilities and CBMWTF operators, while ensuring sustainability of the waste management system.

iv. The classification between bedded and non-bedded healthcare facilities is based on *intelligible differentia*. Bedded hospitals, by their very nature, have higher capacity, greater patient turnover, and generate more complex and hazardous bio-medical waste, including waste from ICUs, operation theatres, and inpatient care. Therefore, the adoption of a "per bed per day" model is a reasonable and practical method to estimate waste generation and to ensure effective planning and management.

v. The said classification has a direct nexus with the object sought to be achieved, namely ensuring safe, continuous, and efficient

bio-medical waste management, and therefore satisfies the test under Article 14 of the Constitution.

vi. Fixation of user charges cannot be confined strictly to actual weight of waste generated, as such a model would be impractical, prone to manipulation, and administratively burdensome. The per bed per day model provides certainty, predictability, and administrative convenience, which are essential for maintaining the operational viability of CBMWTFs.

vii. The impugned guideline does not operate in isolation but forms part of a comprehensive regulatory framework, wherein factors such as size of the facility, number of beds, distance from the CBMWTF, and operational costs are taken into consideration while determining charge.

viii. The petitioners cannot challenge a policy decision merely on the ground that an alternative method may be more suitable. In the absence of manifest arbitrariness or lack of competence, the scope of judicial review in such matters is limited, and the

Court ought not to interfere with expert-driven regulatory decisions.

10. With the aforesaid contentions, it sought to dismiss the writ petition.

11. **CONTENTIONS OF RESPONDENT No. 4- TGPCB**

i. The writ petition is devoid of merit and liable to be dismissed.

ii. The impugned Circular dated 04.06.2025 has been issued strictly in compliance with the Guidelines framed by Respondent No. 3 – CPCB, and in discharge of the statutory obligations cast upon the State Pollution Control Board under the Environment (Protection) Act, 1986 and the Bio-Medical Waste Management Rules, 2016.

iii. The CPCB Guidelines, 2025 are mandatory in nature, and the TGPCB, being the prescribed authority for the State, is bound to implement the same to ensure uniformity and environmental safety. The impugned Circular is thus not an independent or

arbitrary exercise of power, but a consequential action taken in furtherance of binding national guidelines.

iv. Guideline No. 14 provides a rational and well-structured methodology for fixation of user charges by prescribing different models for bedded and non-bedded healthcare facilities. The distinction is based on several relevant considerations, including capacity, nature of operations, and potential waste generation.

v. The "per bed per day" model for bedded hospitals is adopted as a reliable proxy for estimating maximum waste generation and for facilitating effective logistical planning by CBMWTF operators. The operators are required to ensure compliance with statutory timelines, including treatment and disposal within prescribed time limits, and must therefore plan infrastructure, transportation, and treatment capacity based on the potential load generated by healthcare facilities.

vi. Reliance solely on actual daily weight of waste would lead to uncertainty, operational inefficiencies, and environmental risks,

particularly in cases of sudden surges in waste generation. The per bed model, therefore, ensures predictability, stability, and preparedness in waste management systems.

vii. Bedded hospitals generate more diverse and hazardous categories of bio-medical waste, including waste from surgical procedures, intensive care units, and inpatient services, which require specialized handling and treatment. The charging mechanism takes into account not merely the quantity but also the nature and complexity of waste.

viii. CBMWTFs involve substantial capital investment and recurring operational costs, including manpower, transportation, fuel, electricity, and compliance with environmental standards. A stable and predictable revenue model, such as the per bed per day system, is essential to ensure financial viability and sustainability of such facilities, failing which the entire bio-medical waste management framework would be jeopardized.

ix. The methodology adopted is administratively feasible and minimizes disputes, whereas a purely weight-based system

would be cumbersome, prone to discrepancies, and difficult to implement on a daily basis across numerous healthcare facilities.

x. It placed reliance on the detailed consultative process undertaken prior to fixation of user charges, including deliberations with stakeholders, advisory committees, and consideration of practices prevailing in other States, thereby demonstrating that the decision is neither arbitrary nor unilateral.

xi. The classification between bedded and non-bedded healthcare facilities is based on *intelligible differentia* having a rational nexus with the object sought to be achieved, and therefore does not violate Article 14 of the Constitution.

12. With the said contentions, it sought to dismiss the writ petition.

13. **CONTENTIONS OF RESPONDENT Nos. 5–15**

i. CBMWTF operators are engaged in the collection, transportation, treatment, and disposal of bio-medical waste in strict compliance with the Bio-Medical Waste Management Rules, 2016, and the guidelines issued by the CPCB. The functioning of such facilities involves significant capital investment in infrastructure, machinery, and technology, along with substantial recurring operational costs including manpower, fuel, electricity, maintenance, and statutory compliance requirements.

ii. The fixation of user charges on a "per bed per day" basis for bedded healthcare facilities ensures a stable and predictable revenue stream, which is essential for the financial viability and sustainability of CBMWTFs. It is argued that if the charges are made entirely dependent on fluctuating waste generation, the operators would face serious financial uncertainty, thereby adversely affecting their ability to maintain continuous and compliant operations.

iii. The bedded hospitals, by virtue of their size, capacity, and nature of services, generate not only larger quantities but also more complex and hazardous categories of bio-medical waste, requiring specialized handling, segregation, and treatment. Therefore, the differential charging mechanism is justified and based on practical considerations.

iv. The per bed per day model enables effective logistical planning, including route optimization, allocation of transport vehicles, and treatment capacity, as the operators are required to be prepared for maximum potential waste generation at any given time.

v. The impugned guideline strikes a balance between the interests of healthcare facilities and the operators, ensuring that the charges are neither monopolistic nor detrimental to the sustainability of the system, as expressly contemplated under Guideline No. 14.

vi. The petitioners cannot seek to impose a uniform weight-based charging system, which would be impractical, administratively

burdensome, and detrimental to efficient waste management, and that the present challenge is essentially against a policy decision taken in public interest.

14. With the said contentions, they sought to dismiss the writ petition.

LAW AND ANALYSIS

15. In the light of the aforesaid facts and contentions, the principal question that falls for consideration of this Court is:

> Whether Guideline No. 14 of the CPCB Guidelines, 2025, and the consequential Circular dated 04.06.2025 issued by the Telangana Pollution Control Board, insofar as they prescribe user charges on a per bed per day basis for bedded healthcare facilities while adopting a different charging methodology for non-bedded healthcare facilities, suffer from hostile discrimination and thereby infringe Article 14 of the Constitution of India?

16. At the outset, it must be observed that the present matter arises in the context of environmental regulation under the Bio-Medical Waste Management regime, where the charges in question are regulatory and service-linked in nature. The impugned guideline itself proceeds on the footing that the cost to be charged by the Common

Bio-Medical Waste Treatment Facility operator is integrally connected with financial viability, sustainable operation, and continued compliance with the Bio-Medical Waste Management Rules, 2016, and it specifically contemplates separate methodologies for non-bedded and bedded healthcare units. The petitioners do not dispute the existence of the regulatory framework; their grievance is confined to the differential basis of computation.

17. The settled position under Article 14 is that a classification is constitutionally valid if it is founded on an *intelligible differentia* and if such *differentia* has a rational nexus to the object sought to be achieved. Equally, a court while examining a challenge to a policy measure does not sit as an appellate authority over the wisdom of the policy, but only examines whether the classification is manifestly arbitrary, artificial, evasive or unrelated to the statutory object.

18. In this context, it is apt to note that the Apex Court in **Sukanya Shantha v. Union of India**[1] which emphasizes that a valid classification must rest on a definite yardstick; the distinction must be

[1] (2024) 15 SCC 535

real, pertinent and discernible; the dividing line must not be illusory, vague or indeterminate; and the basis cannot be arbitrary or evasive.

19. Relevant paragraph of the said judgment is extracted below:-

> 181. A valid classification under Article 14 presupposes a definite yardstick to distinguish the classes created, and the difference must be real, pertinent and discernible. [*Murthy Match Works* v. *CCE*, (1974) 4 SCC 428] The State is free to recognise degrees of harm as long as the basis of classification is not arbitrary, artificial, or evasive. The line between the two classes must be clear and not illusory, vague, and indeterminate

20. Even going by that test, the present classification cannot be faulted. The yardstick adopted here is the number of beds, which is neither subjective nor fluid, but an objective and verifiable index reflected in the statutory consents and authorizations of the healthcare facility. Further, the distinction between a bedded and a non-bedded facility is not merely formal; it is rooted in the very nature of healthcare delivery, the scale of operations, the intensity of patient handling, and the potentiality and complexity of waste generation.

21. The plea of the petitioners proceeds on the assumption that actual waste weight alone is the only constitutionally permissible basis for user charges. This assumption, in the opinion of this Court, is misplaced. A bedded hospital is not comparable to a non-bedded clinic merely because both generate bio-medical waste. Bedded facilities render inpatient care, often round the clock, and ordinarily include wards, procedure rooms, operation theatres, ICUs, maternity units and recovery facilities. Their waste stream is correspondingly more diverse and potentially more hazardous. Respondent No. 4 has specifically pleaded that such hospitals generate anatomical waste, soiled waste, sharps, pathological waste, pharmaceutical waste and chemical waste in a manner qualitatively distinct from the limited waste profile of outpatient clinics and diagnostic establishments. It is this functional and operational distinction that furnishes the *intelligible differentia*.

22. The nexus between the classification and the object of the guideline is also direct and evident. The object is not merely recovery of a charge, but ensuring continuous, timely and environmentally

sound collection, transportation, treatment and disposal of biomedical waste through financially viable and logistically prepared CBMWTFs. For such operators, the number of beds constitutes a stable proxy for the maximum potential load that may arise from a facility. As pleaded by Respondent No. 4, the operator must plan transport routes, fleet size, manpower, handling capacity and treatment preparedness in advance so as to comply with the statutory timelines under the Rules. A model exclusively dependent on fluctuating day-to-day waste weight may not furnish the certainty necessary for such planning and may itself become a source of disputes, under-preparedness and environmental risk. Thus, the differentia is not only real, but bears a clear nexus with the regulatory objective.

23. The principle laid down by the Apex Court in **Ayurveda Pharmacy v. State of Tamil Nadu**[2] does not advance the petitioners' case. On the contrary, paragraphs 5 and 6 therein reinforce the true constitutional standard. In paragraph 5, the Supreme Court observed that where commodities belong to the same category, the question is

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[2] (1989) 2 SCC 285

whether there exists a relevant justification for treating them differently. In paragraph 6, the Court held that while the Legislature or the State may prescribe different rates for different commodities, if the items belong to the same class or category there must exist a rational basis for discrimination, and where the reason put forward is extraneous to the object of the law, the distinction cannot be sustained.

24. Relevant paragraph of the said judgment is extracted below:-

> 6. …It is open to the legislature, or the State Government if it is authorised in that behalf by the legislature, to select different rates of tax for different commodities. But where the commodities belong to the same class or category, there must be a rational basis for discriminating between one commodity and another for the purpose of imposing tax. It is commonly known that considerations of economic policy constitute a basis for levying different rates of sales tax. For instance, the object may be to encourage a certain trade or industry in the context of the State policy for economic growth, and a lower rate would be considered justified in the case of such a commodity. There may be several such considerations bearing directly on the choice of the rate of sales tax, and so long as there is good reason for making the distinction from other commodities no complaint can be made. What the actual rate should be is not a matter for the courts to determine generally, but where a distinction is made between commodities falling in the same category a question arises at once before a court whether there is justification for the discrimination…

25. The present case stands on a different footing. First, bedded and non-bedded healthcare facilities cannot be treated as homogeneous units for all regulatory purposes. Their service profile, waste generation pattern, treatment demands and logistical implications materially differ. Secondly, the basis of the present distinction is not extraneous to the statutory object. The per bed methodology is adopted precisely to subserve the object of sustainable, safe and compliant biomedical waste management. Thirdly, the charge here is regulatory and service-linked, not a general fiscal impost divorced from actual service architecture. Therefore, the ratio of **Ayurveda Pharmacy** (supra) is that a classification fails when the basis of distinction is alien to the object of the law; it does not prohibit differentiation where the basis is itself drawn from operational realities connected with the statutory purpose.

26. The scope of judicial review in matters of policy is well settled. In **Balco Employees' Union (Regd.) v. Union of India**[3], the

[3] (2002) 2 SCC 333

Hon'ble Supreme Court held that courts do not sit in appeal over the wisdom or desirability of policy decisions, and such decisions cannot be interfered with merely because an alternative approach may appear more reasonable. Judicial interference is warranted only where the policy is shown to be manifestly arbitrary, discriminatory, mala fide, or violative of statutory or constitutional provisions. Policy choices, particularly those involving technical, financial, and administrative considerations, fall within the domain of the executive, and so long as the decision-making process is bona fide and within the bounds of law, the Court must exercise restraint.

> 46. It is evident from the above that it is neither within the domain of the courts nor the scope of the judicial review to embark upon an enquiry as to whether a particular public policy is wise or whether better public policy can be evolved. Nor are our courts inclined to strike down a policy at the behest of a petitioner merely because it has been urged that a different policy would have been fairer or wiser or more scientific or more logical.

27. Tested on that standard, the impugned classification cannot be characterized as arbitrary. The material on record shows that the charging structure did not emerge overnight or in isolation. Respondent No. 4 has placed on record that after the 2016 guidelines,

the issue of user charges was deliberated in the State Advisory Committee; a committee of experts and senior officials was constituted; consultations were held with THANA, IMA, representatives of government hospitals and other stakeholders; comparative user charge structures in several States were examined; and the revised regime was thereafter evolved. The 2025 CPCB guideline also expressly contemplates that the cost model should be worked out keeping in view the size of the facility, the number of beds, and other operational factors. Such an exercise, involving technical and environmental considerations, is plainly within the domain of specialized regulatory authorities.

28. This Court is also unable to accept the submission that actual occupancy alone should determine the chargeability of bedded hospitals. Occupancy is inherently variable and transient. The regulatory obligation of the CBMWTF operator, however, is not contingent upon average occupancy but upon maintaining readiness to service authorized facilities within the statutory timeline. The relevant consideration for systemic planning is therefore potentiality of

generation correlated with licensed capacity, and not merely actual generation on a given day. The law does not require the State to choose the most mathematically exact standard; it requires that the standard adopted must be reasonable, objective and relevant. The bed-strength based metric answers that description.

29. At the same time, the Court must observe that the validity of the classification does not place the regulatory regime beyond scrutiny altogether. The guideline itself contemplates periodic revision in consultation with the concerned authorities, local medical associations and representatives of the CBMWTF association. Therefore, while the constitutional challenge to the basis of classification does not merit acceptance, the authorities remain under a continuing obligation to ensure that rates are periodically reviewed and that the burden imposed remains proportionate to the object sought to be achieved.

CONCLUSION

30. In view of the foregoing discussion, this Court is of the considered opinion that the classification between bedded and non-

bedded healthcare facilities under Guideline No. 14 is founded on an *intelligible differentia*, namely the scale, nature and potentiality of bio-medical waste generation, and bears a rational nexus with the object sought to be achieved, i.e., ensuring an efficient, sustainable and environmentally compliant bio-medical waste management system.

31. The challenge mounted by the petitioners, in substance, seeks substitution of the policy adopted by the expert regulatory authorities with an alternative mechanism preferred by them. Such an exercise is impermissible in the limited scope of judicial review, particularly in matters involving technical and policy considerations, unless the impugned action is shown to be manifestly arbitrary or unconstitutional, which, in the present case, has not been established.

32. This Court also takes note of the fact that the impugned mechanism has been evolved after due deliberation, consultation with stakeholders, and consideration of prevailing practices across various States, thereby reinforcing its reasonableness and non-arbitrariness.

33. Accordingly, this Court finds no merit in the writ petition and the same is liable to be dismissed and **is dismissed**. However, the respondent Nos.3 - CPCB and respondent No.4 – TPCB authorities shall continue to periodically review the charging mechanism as per CPCB Guidelines to ensure that it remains fair, reasonable and proportionate to the object sought to be achieved. No order as to costs.

As a sequel thereto, miscellaneous applications, if any, pending in the writ petition shall stand closed.

JUSTICE K. LAKSHMAN

JUSTICE B.R MADHUSUDHAN RAO

Date: 02. 04.2026.

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