



W.A No. 1495 of 2025

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 07.10.2025

CORAM

THE HON'BLE MR JUSTICE R.SURESH KUMAR

AND

THE HON'BLE MR JUSTICE HEMANT CHANDANGOUDAR

W.A No. 1495 of 2025

AND

CMP.No. 11465 of 2025

P.K.R. Thangamani
Sole Proprietor of M/s.Reliance Instruments Corporation
Having its registered Office at 217, 9th Street,
SIDCO Industrial Estate, North Phase, Ambattur,
Chennai-600098.

..Appellant

Vs

1. The Secretary to Government,
Health and Family Welfare,
Government of Tamil Nadu,
Fort. ST. George, Chennai-600009.

2.Tamil Nadu Medical Services Corporation Limited,
Represented by its Managing Director,
No. 417, Pantheon Raod, II Floor,
Egmore, Chennai-600008.

..Respondents



W.A No. 1495 of 2025

WEB COPY

Writ Appeal is filed under Clause 15 of Letter Patent to set aside the order dated 25.02.2025 passed in W.P.No. 34374 of 2024.

For Appellant : Mr.R.P. Vijaya Krishnan

For Respondents : Mr M.Bindran, AGP – R1
Mr. VE.M. Shivakumar - R2

JUDGMENT

(Made by ***HEMANT CHANDANGOUDAR, J.***)

This intra-court appeal assails the order dated 25.02.2025 passed by the learned Single Judge in W.P. No. 34374 of 2024. By the said order, the learned Single Judge dismissed the writ petition challenging the order passed by the 2nd respondent, blacklisting the appellant/writ petitioner for a period of two years from participating in tenders floated by the 2nd respondent.

2. Pursuant to a tender floated by the 2nd respondent inviting applications for the supply and installation of CSSD laundry equipment and other equipment to various hospitals and Government institutions in the State of Tamil Nadu, the appellant/writ petitioner participated in the tender process, emerged as a successful bidder, and was awarded the contract to supply the equipment subject to certain terms and conditions.



W.A No. 1495 of 2025

WEB COPY

3. The appellant, after fulfilling the requirements under the purchase order, raised invoices corresponding to the supplied equipment and services. Partial payments were also made towards the said invoices. In these circumstances, on 20.06.2024, the 2nd respondent issued an email to the appellant stating that they had received certain bills and invoices certified by Kings Institute of Preventive Medicine & Super Specialty Hospital, Guindy (KCSSH), and sought clarification as to whether the appellant/writ petitioner had collected those bill documents from the hospital and forwarded them to the 2nd respondent.

4. In response, the appellant, vide email dated 21.06.2024, clarified that they had not collected any bill documents from KCSSH and had not posted any such documents to the 2nd respondent. In subsequent correspondence, the appellant/writ petitioner stated that the forged bills and invoices allegedly certified by KCSSH were furnished by one of their staff members, namely Ramakrishnan, in connivance with competitors, and therefore the appellant/writ petitioner could not be held responsible for furnishing the forged documents.



W.A No. 1495 of 2025

WEB COPY

5. However, the 2nd respondent, by order dated 02.08.2024, blacklisted the appellant/writ petitioner from participating in future tender processes for a period of two years, stating that the act of the staff member would not absolve the appellant of responsibility for such misdeeds. Aggrieved by the same, the appellant approached this Court by way of the aforementioned writ petition. The learned Single Judge, after considering the submissions of the learned counsel for the parties and the materials on record, dismissed the writ petition, observing that the submission of forged documents certainly falls within the definition of “fraudulent practice” as provided under Clause 32 of Section II of the tender document, and Clause 32(V)(d) of Section II makes it clear that any supplier engaged in a fraudulent practice, either directly or through an agent, is liable to be declared ineligible for the award of a contract, either for an indefinite period or for a specific duration.

6. Mr. R.P. Vijaya Krishnan, learned counsel for the appellant, made the following submissions;



W.A No. 1495 of 2025

WEB COPY

- i. The submission of forged documents was done by the appellant's staff member, Ramakrishnan, in connivance with competitors, with the intention of bringing disrepute to the appellant's name and preventing them from participating in future tenders. An FIR has also been registered against the said Ramakrishnan, and therefore, the appellant cannot be held responsible for the act of their staff member, which was done without their consent.
- ii. The appellant/writ petitioner has been supplying equipment to various Government hospitals and other institutions for nearly 20 years without any blemish, which clearly indicates that the submission of forged documents was intended only to tarnish the appellant's image. The appellant having given a satisfactory explanation for the misconduct of the staff, the 2nd respondent was not justified in blacklisting the appellant for two years. Such a penalty amounts to a "civil death" in business and is wholly unwarranted.



W.A No. 1495 of 2025

WEB COPY

iii. The appellant did not stand to gain substantially from the misconduct of the staff, particularly when 80% of the invoice amount had already been received from the 2nd respondent. The learned Single Judge ignored these material aspects, and the impugned order is therefore not legally sustainable.

7. Additionally, learned counsel for the appellant argued that considering the appellant's blemish-free record of over 25 years of supplying equipment to Government hospitals and institutions, the order of blacklisting for two years is on the higher side and ought to be reduced in the interest of justice.

8. Mr. V.E.M. Shivakumar, learned counsel for the 2nd respondent, submitted that since the appellant/writ petitioner admitted that the documents submitted by their staff were forged, the order of blacklisting the appellant/writ petitioner from participating in future tenders for two years is proper and in conformity with the terms and conditions of the tender document. Therefore, the impugned order passed by the learned Single Judge does not warrant any interference.



W.A No. 1495 of 2025

WEB COPY

9. Mr. M. Bindran, learned Additional Government Pleader appearing for the 1st respondent, adopted the submissions made by the learned counsel for the 2nd respondent and sought dismissal of the appeal.

10. The arguments of the learned counsel for the parties and the materials on record have been duly considered.

11. Clause 32.2 of the General Conditions of Contract (Section III) provides for action against erring employees. However, Clause 32(V)(d) of Section II of the tender documents provides for the blacklisting of a supplier engaged in a fraudulent practice, either indefinitely or for a specified period.

12. In the instant case, the appellant/writ petitioner has admitted that the documents furnished by his staff member, Ramakrishnan, were forged, and under those forged documents, the appellant/writ petitioner received payments from the 2nd respondent. The learned Single Judge has rightly observed that a master is liable for all misdeeds committed by his agents. This Court, in



W.A No. 1495 of 2025

exercise of its writ jurisdiction, cannot go into the question of whether the staff member of the appellant/writ petitioner connived with competitors to submit forged documents with the intent of bringing disrepute to the appellant. Therefore, the contention of the appellant/writ petitioner that he cannot be held responsible for the misdeed of his staff is without substance and is not acceptable.

13. Clause 32(V)(d) of the tender documents provides for blacklisting the contractor indefinitely or for a specified period. In the present case, the appellant was blacklisted for two years from participating in future tenders floated by the 2nd respondent. While it cannot be said that the blacklisting for two years is excessive, considering the fact that the appellant/writ petitioner has been supplying equipment to Government hospitals and institutions for over 25 years without any blemish, and having regard to the specific plea that the forgery was committed by the staff member, it would be appropriate to modify the order of blacklisting by reducing the period and confining it till 31.12.2025. The appellant, who has been in the business of supplying equipment to Government hospitals and institutions for over 25 years, would otherwise suffer undue financial hardship.



W.A No. 1495 of 2025

WEB COPY

14. However, it is made clear that no fault is found with the 2nd respondent for blacklisting the appellant/writ petitioner for having submitted forged documents, particularly when it is acknowledged that the appellant/writ petitioner had supplied the equipment under the contract.

15. In light of the foregoing discussion, the following order is passed:

i) The Writ Appeal is allowed in part. The order passed by the learned Single Judge is confirmed. However, the order dated 02.08.2024 passed by the 2nd respondent blacklisting the appellant/writ petitioner from participating in future tenders for two years is modified, and the period of blacklisting is confined only till 31.12.2025. The appellant/writ petitioner shall be permitted to participate in future tender processes, if floated by the 2nd respondent, thereafter.



W.A No. 1495 of 2025

WEB COPY

ii) The 2nd respondent shall consider any bid submitted by the appellant/writ petitioner without being influenced by the earlier order of blacklisting or any observations made in this judgment.

iii) Consequently, the connected miscellaneous petition is closed. There shall be no order as to costs.

(R.S.K. J.,)

(H.C. J.,)

07.10.2025

Index : Yes / No

Internet : Yes/No

Neutral Citation : Yes / No

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To

The Secretary to Government,
Health and Family Welfare,
Government of Tamil Nadu,
Fort. ST. George, Chennai-600009.



WEB COPY



W.A No. 1495 of 2025

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