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WP No. 17188 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 09-06-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

WP No. 17188 of 2025

AND

WMP Nos.19477, 19478 and 19479 of 2025

1. SRS Tex P Ltd.,
Represented By Its Director,
Mr.Veerakumar, S/o.Palanisamy,
Having Office At No.4/90b, Church
Street, Pallapalayam Post,Mangalam,
Tiruppur 641663.

Petitioner(s)

Vs

1. The Principal Secretary To
Government.,
Department Of Handlooms,
Government Of Tamil Nadu,
Secretariat,
Fort St George, Chennai 600009.

2.The Director Of Handlooms
Commissionerate Of Handlooms, Govt
Of Tamilnadu, Kuralagam, 2nd Floor,
Chennai 600104.

Respondent(s)

**PRAYER**

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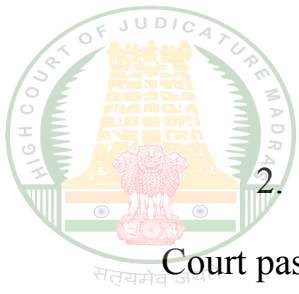
Writ petition filed under Article 226 of Constitution of India for the issuance of writ of Certiorarified Mandamus to call for the records of the 2nd respondent dated 10.02.2025 in Na.Ka.No. 7399/2024/T-1 and quash the same and consequently, direct the respondents to disburse the payments due to be made to the petitioner to the tune of Rs. 18,81,533/- under the 60S Combed Dyed Cotton Cone Yarn for Distribution of Sarees and Dhotis Scheme Pongal - 2024 and Rs.3,08,69,980/- (Excluding GST, TDS AND Test Costs) under the 40S Combed Dyed Cotton Cone Yarn for Supply of Uniform Scheme for Academic Year 2023-2024 and pass orders.

For Petitioner(s): M/s.I.Kowser Nissar

For Respondent(s): Mr.E.Vijay Anand
Additional Government Pleader
for R1 and R2

ORDER

This writ petition has been filed challenging the proceedings of the 2nd respondent dated 10.02.2025 and for a consequential direction to the respondents to disburse the payments due to the petitioner to the tune of Rs.18,81,533/- under certain heads and a sum of Rs. 3,08,69, 980/- under other heads.



2. When this writ petition came up for admission on 02.06.2025, this

Court passed the following order:-

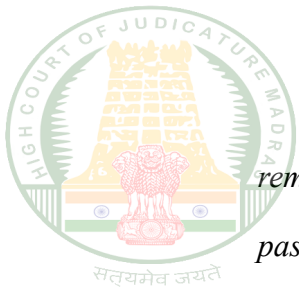
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Mr.P.Ganesan, learned Additional Government Pleader accepts notice for the respondents.

2. *The main ground that was urged by the learned counsel for the petitioner is that proceedings were initiated for restriction of purchase order in respect of the goods that were already supplied whereas the impugned proceedings of the second respondent dated 10.2.2025 resulted in the imposition of penalty to the tune of Rs.3,47,00,000/-. He further submitted that if the second respondent was intending to impose penalty, the petitioner ought to have been put on notice and that such penalty should not have been imposed behind the back of the petitioner.*

3. *On the contrary, the learned Additional Government Pleader appearing for the respondents submits that the petitioner cannot maintain this writ petition since any dispute arising under the tender shall be referred to the Government, which shall be the Arbitrator and that the decision taken by the Government of Tamil Nadu shall be final and binding on the parties. In so far as the issue of not providing an opportunity to the petitioner before ever passing the impugned order by the second respondent, is concerned, the learned Additional Government Pleader seeks for some time.*

4. *In the considered view of this Court, if the petitioner has been clamped with penalty without affording an opportunity, it will be in violation of the principles of natural justice and hence, the availability of an alternative*



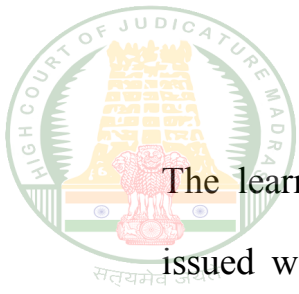
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remedy will not be a bar. If the petitioner has been put on notice before ever passing the impugned order, the petitioner has to necessarily avail the alternative remedy. The writ petition will be dealt with on the next hearing date only to consider this limited issue.

5. *Post the writ petition on 09.6.2025 at the ending of the motion list.*

3. When the matter came up for hearing today, the learned Additional Government Pleader appearing on behalf of the respondents submitted that four show cause notices were issued to the petitioner by informing the petitioner that the deviation or short fall in supply of yarn will ultimately attract penal action under clause VI and penalty will be imposed for the unsupplied colour of yarn and recovered from the petitioner. The petitioner was also informed in these show cause notices that the petitioner must respond to the show cause notices failing which further action will be taken. To substantiate the same, the learned Additional Government Pleader produced the show cause notices dated 12.04.2024, 20.04.2024, 11.05.2024 and 29.05.2024. The learned Additional Government Pleader submitted that the petitioner did not respond to any of the show cause notices till date.

4. The learned counsel for the petitioner submitted that in view of the shortage in supply already action has been taken against the petitioner by way of restriction of purchase order in respect of goods that were already supplied. However, the petitioner was never informed regarding the imposition of penalty.



The learned counsel submitted that if really these show cause notices were issued with an intention to impose penalty, there is absolutely no indication regarding the same in the proceedings of the 2nd respondent dated 10.06.2024.

5. In the considered view of this Court, imposition of penalty is by way of punishment which is quasi criminal in nature. Hence, opportunity must be given to the petitioner to defend the same. The copy of the show cause notices were also handed over to the learned counsel for the petitioner. In view of the same, the petitioner is directed to give their reply for the show cause notices on or before 07.07.2025. On receipt of the same, the 2nd respondent shall deal with the reply and pass orders on its own merits and in accordance with law within a period of four weeks thereafter. It is made clear that the enquiry of the 2nd respondent will confine itself only insofar as the imposition of penalty against the petitioner is concerned.

6. This writ petition is disposed of with the above directions. No costs. Consequently, the connected miscellaneous petitions are closed.

09-06-2025

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Index: Yes/No

Speaking/Non-speaking order

Internet: Yes/No

Neutral Citation: Yes/No



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To

1.The Principal Secretary
To Government
Department Of Handlooms,
Government Of Tamil Nadu,
Secretariat, Fort St George, Chennai
600009.

2.The Director Of Handlooms
Commissionerate Of Handlooms,
Government Of Tamilnadu,
Kuralagam, 2nd Floor, Chennai
600104.



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N.ANAND VENKATESH J.
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