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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

+ W.P.(C) 6860/2025 and CM APPL. 31089/2025, CM APPL. 58283/2025

PANACEA MEDICAL TECHNOLOGIES
PVT. LTD

.....Petitioner

Through: Mr. Sanjeev Sagar, Sr. Adv. with Mr. Adarsh Tripathi, Mr. Nitin Chaudhary, Mr. Vikram Singh Baid, and Mr. Ajitesh Garg, Advs.

versus

1.DIRECTOR GENERAL OF ARMED FORCES MEDICAL
SERVICES (DGAFMS)

.....Respondent

Through: Mr Vikram Jetly CGSC with Ms Shreya Jetly, Advs.

CORAM:

HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV

ORDER

% **12.01.2026**

1. The petitioner seeks quashing of the debarment order dated 25.04.2024 issued by the respondent.
2. The petitioner claims to be a manufacturer of radiotherapy and radiology equipment. The respondent had placed supply orders for certain equipments i.e. 'Cobalt 60 Teletherapy Units with Treatment Planning System MLC', which were to be delivered within a period of 270 days. According to respondent, there was a delay in the same and at the request of the petitioner, extensions were granted. On 26.12.2023, a show-cause notice for punitive action was issued by the respondent against the petitioner, and



meetings were conducted.

3. According to respondent, despite the extensions, since the installation and commissioning of the equipment did not take place, therefore, the competent authority decided to debar the petitioner for two years from the date of the debarment order dated 24.05.2024.

4. Mr. Sanjeev Sagar, learned senior counsel for the petitioner points out various facts and circumstances to indicate as to why the order dated 24.05.2024 is illegal and arbitrary.

5. The impugned order has been sought to be justified by Mr. Vikram Jetly, learned counsel appearing on behalf of the respondent. He submits that the reply of the petitioner was duly considered before passing of the impugned order. He also points out that various meetings were held and deadline was further extended, and despite the same, the petitioner did not meet the requirement under the work order. He further submits that the respondents were left with no option except to pass the impugned order.

6. I have considered the submissions made by learned counsel for the parties and perused the order.

7. For the sake of clarity, the debarment order dated 24.05.2024 is extracted as under:

“ DEBARMENT OF FIRM FROM BIDDING

1. Reference:-

(a) This Office AT/SO No 2318 dated 28 Jun 2021 and AT/SO No 2325 dated 01 Sep 2021 vide which supply orders for installation & commissioning of Qty 03 (three) of PVMS No 221547 Cobalt 60 Teletherapy unit with Treatment Planning System, MLC, Accessories & Peripherals was placed.

(b) This office letter No 9328/20/2019-20/DGAFMS/DG-2S/TE-1408(RT)/AT-2318 dated 26 Dec 2023 vide which a Show Cause Notice was served upon your firm.



(c) This office letter No 9328/20/2019-20/DGAFMS/DG-2S/TE-1408 (RT)/AT-2318 dated 18 Jan 2024 vide which your firm was advised to install the equipment at all 03 consignee hospitals within 02 Mar 2024.

(d) These office emails dated 06 May 2024 vide which Minutes of Meeting held on 05 Apr 2024 have been forwarded.

(e) Your office replies forwarded vide DPT/04/2024-25/C/023 dated 15 Apr 2024 and DPT/04/2024-25/C/078 dated 09 May 2024.

2. Your firm has not been able to install & commission the equipment PVMS No 221547 Cobalt 60 Teletherapy Unit with Treatment Planning System, MLC, Accessories & Pheripherals at the 03 (three) consignee hospitals till date.

3. The Competent Authority has perused your replies forwarded vide your letter at Para 1 (e) above & has not agreed to your contention.

4. In view of the above, the Competent Authority has invoked 'Debarment of your firm from Bidding' as per Para 5 of Annexure to Ministry of Finance, Procurement Policy Division OM No F.1/20/2018-PPD dated 02 Nov 2021.

5. The debarment will be effective upto 02 (two) years from the date of signing of this letter. Your firm & its successors are debarred from participating in any procurement process initiated or published by O/o DGAFMS or its medical units."

8. A perusal of paragraphs no. 3 and 4 thereto, indicates that while there is a reference to the reply filed by the petitioner, the impugned order does not spell out any reason for the rejection of the petitioner's contentions. Executive and quasi-judicial authorities, much like judicial authorities, are required to assign reasons for their decisions, if the same affect anyone prejudicially. The aforesaid position has been taken by Courts in a plethora of cases. The Supreme Court in **Kranti Associates (P) Ltd. v. Masood Ahmed Khan**,¹ has held as under:

"47. Summarising the above discussion, this Court holds:

(a) In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.

¹ (2010) 9 SCC 496



- (b) A quasi-judicial authority must record reasons in support of its conclusions.
- (c) Insistence on recording of reasons is meant to serve the wider principle of justice that justice must not only be done it must also appear to be done as well.
- (d) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.
- (e) Reasons reassure that discretion has been exercised by the decision-maker on relevant grounds and by disregarding extraneous considerations.
- (f) Reasons have virtually become as indispensable a component of a decision-making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.
- (g) Reasons facilitate the process of judicial review by superior courts.
- (h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the lifeblood of judicial decision-making justifying the principle that reason is the soul of justice.
- (i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.
- (j) Insistence on reason is a requirement for both judicial accountability and transparency.
- (k) If a judge or a quasi-judicial authority is not candid enough about his/her decision-making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.
- (l) Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or "rubber-stamp reasons" is not to be equated with a valid decision-making process.
- (m) It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision-making not only makes the judges and decision-makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in Defence of Judicial Candor [(1987) 100 Harvard Law Review 731-37].)
- (n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision-making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See Ruiz Torija v. Spain [(1994) 19 EHRR



553] EHRR, at 562 para 29 and *Anya v. University of Oxford* [2001 EWCA Civ 405 (CA)] , wherein the Court referred to Article 6 of the European Convention of Human Rights which requires,

“adequate and intelligent reasons must be given for judicial decisions”.

(o) In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of “due process”.

9. In light of the aforementioned conspectus of law, and considering the lack of reasons assigned for the conclusion arrived therein, the impugned order cannot sustain. The impugned order, therefore, stands set aside, with liberty to the respondent to pass a fresh speaking order after extending an opportunity of hearing to the petitioner. The respondent shall also keep in mind that the petitioner has already suffered debarment for almost 1.5 years.

10. Let the aforesaid exercise be carried out within 45 days from the date of receipt of the order passed today.

11. Accordingly, the petition, along with pending applications, stands disposed of.

PURUSHAINDRA KUMAR KAURAV, J

JANUARY 12, 2026

aks/amg