IN THE HIGH COURT OF JUDICATURE AT MADRAS

RESERVED ON : 31.07.2026
DELIVERED ON : 05.08.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.P.Nos.30452 and 30457 of 2026
and WMP Nos.33431, 33424, 33444 and 33425 of 2026

Gurudeva Enterprises
A Proprietorship Concern,
Rep by its proprietor, A.Karthikeyan
S/o.Amaresan, Plot No.19-A
SIDCO Industrial Estate, Orikkai Post,
Kancheepuram - 631 502
Tamil Nadu.

Petitioner(s)
in both writ petitions

Vs

1. The State of Tamil Nadu
   Rep by its Additional Chief Secretary
   to Government, Environment, Climate
   Change and Forest Department,
   Secretariat, Fort St. George,
   Chennai - 600 009.

2. The District Forest officer
   Tamil Nadu Forest Department,
   Vellore District Forest office,
   Tirupattur Division, Tirupattur - 635 601.

3. The Union of India
   Rep by its Secretary,
   Ministry of Environment Forest and Climate
   Change (Wildlife Division) Indira Paryavaran
   Bhawan, Jor Bagh Road, New Delhi-110 003.

4. The Director General of Foreign Trade
   Department of Commerce, Ministry of
   Commerce and Industry, Government of India,
   New Delhi.

5. MSTC limtied
   ISPAT Bhavan, 3rd floor, No.5
   Kodambakkam High Road, Chennai-600 034.

Respondent(s)
in both writ petitions

PRAYER in W.P.No.30452 of 2026: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorari calling for the records pertaining to the impugned Notification G.O 2(D) No.29 dated 02.03.2026 issued by the 1st respondent and quash the same.

PRAYER in W.P.No.30457 of 2026: Petition filed under Article 226 of the Constitution of India seeking issuance of a writ of certiorarified mandamus calling for the records pertaining to the impugned Global Notice dated 31.7.2026 issued by the second respondent for sale of Red sanders wood by way of e-Tender -cum-Auction quash the same and the consequential e-Tender-cum-Auction floated by the 5th respondent bearing Auction NO.MSTC/SRO/Tamilnadu Forest department/2/Vellore/26-27/17732, dated 30.6.2026.

For Petitioner(s): Mr.S.Ravi, Senior Counsel
for Mr.N.P.Vijay Kumar

For Respondent(s): Mr.Vijay Narayan
Advocate General
Asst. by Mr.Mohammed Fayaz Ali

Government Pleader
for R1 and R2

Mr.AR.L.Sundaresan,
Additional Solicitor General of India
Asst by Mr.S.V.D.Rajendra Prasad,
Central Government Standing
Counsel for R3 and R4

COMMON ORDER

THE CHIEF JUSTICE

The petitioner, a sole proprietorship concern engaged in supporting local artisans and purchasing artwork made from specialized wood, has filed these twin writ petitions under Article 226 of the Constitution of India. By way of these petitions, the petitioner challenges: (i) Government Order G.O. 2(D) No.29, dated 02.03.2026, issued by the first respondent, permitting the global tender-cum-auction of 100 Metric Tonnes (MTs) of seized and confiscated Red Sanders wood; and (ii) the Global Notice dated 31.7.2026 issued by the second respondent and the e-tender-cum auction floated by the fifth respondent dated 30.06.2026.

2.1. Learned Senior Counsel appearing on behalf of the petitioner submitted that under Directorate General of Foreign Trade

(DGFT) Notification No.47/2025-26 dated 04.11.2025, export quotas are restricted solely to Red Sanders derived from artificial propagation or private patta lands, whereas the seized logs represent wild specimens and cannot be auctioned globally.

2.2. It is further submitted that the earlier one-time relaxation under DGFT Notification No.50/2015-2020, dated 27.12.2022, (allowing 299.732 MTs) was fully exhausted via G.O.(D) No. 1 dated 03.01.2019. The State cannot rely on the overall reported seized figure of 747.0509 MT as an automatically recurring export allocation.

2.3. It is also submitted that the tender sets a minimum lot size of 10 MT with a starting price exceeding USD 62,000 per MT, along with a 25% post-bid EMD and mandatory bidding in USD. The petitioner submits that these conditions virtually exclude domestic traders, small-scale artisans, and Khadi/Village industries, violating Articles 14 and 19(1)(g) of the Constitution of India.

3.1. Per contra, learned Advocate General, appearing on behalf of the State of Tamil Nadu and the Forest Department, strongly opposed the writ petitions and submitted that the decision to auction confiscated Red Sanders wood through an e-auction portal is a policy decision taken by the State Government to prevent physical degradation of stock stored in godowns and to maximize revenue for the public exchequer. Judicial review over commercial tender conditions is limited unless arbitrary or mala fide.

3.2. He further submitted that the auction pertains exclusively to confiscated and seized inventory that has vested with the State Government following complete legal proceedings and the disposal of confiscated Red Sanders is carried out in strict compliance with permissions, allocations, and export relaxations issued by the Ministry of Environment, Forest and Climate Change (MoEFCC) and DGFT specifically governing confiscated stocks.

3.3. He also submitted that Red Sanders is an international high-value timber species and floating tenders with minimum 10 MT lot sizes, USD currency base and 25% EMD ensures that only financially capable and genuine buyers participate. These conditions apply uniformly across all applicants without discrimination.

4. We have heard learned counsel on either side and perused the documents on record.

5. In the case at hand, the primordial challenge is to the tender conditions on the ground that they are arbitrary, discriminatory and unreasonable.

6. In an epoch-making judgment in the case of *Tata Cellular v. Union of India*[1], the Supreme Court delineated the scope of judicial review in tender/contract matters as under:

> *"94. The principles deducible from the above are:*
>
> *(1) The modern trend points to judicial restraint in administrative action.*
>
> *(2)* ***The court does not sit as a court of appeal but merely reviews the manner in which the decision was made.***
>
> *(3) The court does not have the expertise to correct the administrative decision. If a review of the*

1*(1994) 6 SCC 651*

administrative decision is permitted it will be substituting its own decision, without the necessary expertise which itself may be fallible.

(4) ***The terms of the invitation to tender cannot be open to judicial scrutiny because the invitation to tender is in the realm of contract.*** *Normally speaking, the decision to accept the tender or award the contract is reached by process of negotiations through several tiers. More often than not, such decisions are made qualitatively by experts.*

(5) ***The Government must have freedom of contract. In other words, a fair play in the joints is a necessary concomitant for an administrative body functioning in an administrative sphere or quasi-administrative sphere. However, the decision must not only be tested by the application of Wednesbury principle of reasonableness (including its other facts pointed out above) but must be free from arbitrariness not affected by bias or actuated by mala fides.***

(6) Quashing decisions may impose heavy administrative burden on the administration and lead to increased and unbudgeted expenditure."

[emphasis supplied]

7. The Supreme Court in the case of *Michigan Rubber (India) Ltd. v. State of Karnataka*[2], *held thus:*

> *"23. From the above decisions, the following principles emerge:*
>
> *(a) The basic requirement of Article 14 is fairness in action by the State, and non-arbitrariness in essence and substance is the heartbeat of fair play. These actions are amenable to the judicial review only to the extent that the State must act validly for a discernible reason and not whimsically for any ulterior purpose. If the State acts within the bounds of reasonableness, it would be legitimate to take into consideration the national priorities;*
>
> *(b)* ***Fixation of a value of the tender is entirely within the purview of the executive and the courts hardly have any role to play in this process except for striking down such action of the executive as is proved to be arbitrary or unreasonable.*** *If the Government acts in conformity with certain healthy standards and norms such as awarding of contracts by inviting tenders, in those*

2(2012) 8 SCC 216

circumstances, the interference by courts is very limited;

(c) ***In the matter of formulating conditions of a tender document and awarding a contract, greater latitude is required to be conceded to the State authorities unless the action of the tendering authority is found to be malicious and a misuse of its statutory powers, interference by courts is not warranted****;*

(d) ***Certain preconditions or qualifications for tenders have to be laid down to ensure that the contractor has the capacity and the resources to successfully execute the work****; and*

(e) If the State or its instrumentalities act reasonably, fairly and in public interest in awarding contract, here again, interference by court is very restrictive since no person can claim a fundamental right to carry on business with the Government.

24. Therefore, a court before interfering in tender or contractual matters, in exercise of power of judicial review, should pose to itself the following questions:

(i) Whether the process adopted or decision made by the authority is mala fide or intended to favour someone; or whether the process adopted or decision made is so arbitrary and irrational that the court can say: "the decision is such that no responsible authority acting reasonably and in accordance with relevant law could have reached"? and

(ii) Whether the public interest is affected?

If the answers to the above questions are in the negative, then there should be no interference under Article 226."

[emphasis supplied]

8. From the law enunciated by the Supreme Court in the aforesaid decisions, it is ostensibly clear that the scope of judicial review in tender matters is extremely narrow and restricted. The Courts do not sit as courts of appeal over administrative decisions, nor do they possess the specialized expertise to substitute their judgment for that of executive bodies. In formulating tender conditions, fixation of values and pre-qualification criteria, greater

latitude must be given to the State authorities to ensure that bidders possess the necessary resource capacity to execute the contract and safeguard public interest. Unless the process adopted or decision taken by the tendering authority is demonstrably *mala fide*, intended to favour a specific party or so utterly arbitrary and irrational that no responsible authority acting reasonably could have reached it, interference under Article 226 of the Constitution of India is uncalled for.

9. The disposal of legally seized and confiscated forest produce is an administrative policy function within the domain of the State Government. The court's intervention in tender conditions, lot sizes and currency requirements is warranted only in cases of clear malice or gross unreasonableness.

10. The decision to conduct an international competitive e-auction ensures transparency, prevents domestic market stagnation and maximizes revenue for the public exchequer from confiscated items without promoting fresh tree felling.

11. The stand taken by the petitioner in its representation dated 22.7.2026 that "*the currency for transaction is given as US dollars (USD) only and the Indian bidders are directed to quote in Indian currency after converting to equivalent of US dollars instead of allowing Indian bidders to directly quoting in INR, the Indian bidders may lose in converting to USD and back to INR and this creates confusion in the minds of Indian traders/bidders*" cannot be countenanced. The stipulation of standard commercial terms, such as lot sizes, USD pricing, and EMD requirements, is reasonable for international commodities to ensure financially capable and genuine buyers participate. In our considered opinion, the conditions apply uniformly to all prospective bidders and do not violate Articles 14 or 19(1)(g) of the Constitution of India.

12. That apart, the submission of learned Advocate General that, as per DGFT Notification No.50/2015-2020, dated 27.12.2022, the State Government is empowered to auction 299.732 MTs of Red Sanders wood obtained out of confiscated/seized stock, which is also the subject matter of the impugned tender notice, is not countered by the petitioner by producing any concrete material.

Furthermore, the fact that, after 2018-2019, there was no auction conducted in respect of the confiscated stock is also not disputed by the petitioner.

13. In the present case, the petitioner has failed to establish any arbitrariness, malice or prejudice to the public interest in the auction conditions laid down by the respondents. Therefore, we do not find any ground warranting interference.

In the result, these writ petitions are dismissed. No order as to costs. Consequently, all connected interim applications are closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)

05.08.2026

Index : Yes/No
Neutral Citation : Yes/No
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To:

1. The Additional Chief Secretary to Government,
   State of Tamil Nadu
   Environment, Climate Change and
   Forest Department,
   Secretariat, Fort St. George,
   Chennai - 600 009.

2. The District Forest officer
   Tamil Nadu Forest Department,
   Vellore District Forest office,
   Tirupattur Division, Tirupattur - 635 601.

3. The Secretary, Union of India
   Ministry of Environment Forest and Climate
   Change (Wildlife Division) Indira Paryavaran
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G.ARUL MURUGAN,J.

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