

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIRCUIT BENCH AT KOLHAPUR
CIVIL APPELLATE JURISDICTION**

WRIT PETITION NO. 42 OF 2026

Shri Mangalmurti Stone Crusher

...Petitioner

V/s.

The State Of Maharashtra

...Respondent

...

Mr. Abhijit Kulkarni a/w. Mr. Vishal Hande h/f. Mr. Sachin Hande,
Advocate for the Petitioner.

Mr. S. B. Kalel, AGP for the Respondent – State.

...

**CORAM : ABHAY AHUJA &
NEERAJ P. DHOTE, JJ.**

DATE : 27th October, 2026

P.C. :

1. When the matter is called out, Mr. Kulkarni, learned Counsel appears for the Petitioner and submits that although, subsequent to cancellation of an auction, the amount of Rs.12,34,30,000/- had been refunded however, the interest portion on the said amount from the date of cancellation of the auction till the refund of Rs.12,34,30,000/- has not been paid by the State despite a representation for the same dated 4th October 2024.

2. Mr. Kulkarni has drawn this Court's attention to the orders dated 5th February 2014 in Writ Petition No. 10175 of 2013 as well as order dated 20th June 2005 in Writ Petition No. 1207 of 2005 as well as order

dated 8th November 2023 in Writ Petition No. 3027 of 2022 as well as order dated 28th March 2023 in Writ Petition No. 2395 of 2023 submitting that in all these matters, this Court exercising its equitable jurisdiction under Article 226 of the Constitution of India has compensated by granting interest at the rate of 9% p.a. and that this Court may also consider granting the said interest for the period 31st March 2022 to 19th March 2024 which is from the date of cancellation of auction till the date of payment of principal amount of Rs.12,34,30,000/-.

3. Learned AGP appearing for the Respondent – State has not taken instructions despite order dated 11th August 2026 and reiterates that no interest was granted by the Hon'ble Minister when the order dated 11th September 2023 cancelling the auction was passed.

4. Having heard the learned Counsel and having perused the orders relied upon by the learned Counsel appearing for the Petitioner, this Court is of the view that in exercise of the equitable jurisdiction under Article 226 of the Constitution of India since for no fault of the Petitioner, the auction was cancelled and the Petitioner's monies were lying with the Government and which ought to have been returned forthwith upon cancellation of auction but was not done, the Petitioner deserves to be compensated with reasonable interest at least from the

period when the auction was cancelled till the period of principal amount was paid.

5. Accordingly, following the same course of action as in the decisions cited by the learned Counsel appearing for the Petitioner, this Court directs that interest at the rate of 9% p.a. on the amount of Rs. 12,34,30,000/- for the period from 31st March 2022 to 19th March 2024 be paid to the Petitioner by the Respondent No.2 within a period of four weeks.

6. The Writ Petition to accordingly stand allowed and disposed as above.

(NEERAJ P. DHOTE, J.)

(ABHAY AHUJA, J.)