

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO(S). 8532/2019

M/S MALAYAGIRI SANDALWOOD OIL DISTILLERY

APPELLANT(S)

VERSUS

STATE OF U.P. AND ORS.

RESPONDENT(S)

O R D E R

1. The present appeal arises out of an order dated 31.08.2015 passed by the High Court of Judicature at Allahabad, Lucknow Bench at Lucknow in Misc. Bench No. 2538 of 2011, whereby the High Court declined to interfere in the matter and dismissed the Writ Petition preferred by the appellant.

2. The facts of the case reveal that an auction notice was issued for the sale/disposal of red sanders/sandalwood by the Divisional Sale Manager, Uttar Pradesh Forest Corporation, Lucknow on 24.12.2010. The appellant participated in the auction process upon depositing a sum of Rs. 2,00,000/- (Rupees Two Lakh only) and quoted a rate of Rs. 360/- per kilogram.

3. Subsequent to the auction, multiple complaints were received in the matter. Consequently, by an order

dated 01.02.2011, the respondent(s) cancelled the auction process.

4. Being aggrieved by the cancellation, the appellant filed a writ petition before the High Court. The High Court dismissed the writ petition, reserving liberty to the appellant to either take recourse to the arbitration or seek remedies by instituting a civil suit for breach of contract. Challenging the said decision, the appellant has preferred the present appeal.

5. This Court has carefully perused the record and the reply filed on behalf of the respondent(s). The reply reveals that following the auction, complaints were lodged before the authorities, stating that several prospective bidders who were willing to offer higher rate of Rs. 600/- per kilogram were prevented from participating in the auction by the local mafia. In view of these circumstances, the competent authority took a conscious policy decision to cancel the auction.

6. Under these facts, the High Court rightly declined to exercise its discretionary writ jurisdiction and granted liberty to seek recourse to the arbitration or seek remedies by instituting a civil suit for breach of contract.

7. Considering that the auction pertains to the year 2010 and almost 16 years have elapsed since then, this Court does not find any ground to interfere with the order dated 01.02.2011 by which the auction was cancelled in the peculiar facts and circumstances of the case.

8. However, it is directed that if the earnest money/security deposit of the appellant has not been refunded so far, the respondent(s) shall refund the entire deposited amount to the appellant, with interest at the rate of 12% per annum, within a period of sixty days from today.

9. With the aforesaid observations, the appeal stands disposed of.

10. Pending application(s), if any, shall stand disposed of.

.....J.
[SATISH CHANDRA SHARMA]

.....J.
[NONGMEIKAPAM KOTISWAR SINGH]

NEW DELHI;
17th September, 2026

ITEM NO.113

COURT NO.15

SECTION III-A

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Civil Appeal No(s). 8532/2019

M/S MALAYAGIRI SANDALWOOD OIL DISTILLERY

Appellant(s)

VERSUS

STATE OF U.P. AND ORS.

Respondent(s)

IA No. 103374/2019 - APPROPRIATE ORDERS/DIRECTIONS

Date : 17-09-2026 This matter was called on for hearing today.

CORAM : HON'BLE MR. JUSTICE SATISH CHANDRA SHARMA
HON'BLE MR. JUSTICE NONGMEIKAPAM KOTISWAR SINGH

For Appellant(s) : Mr. Dhruv Surana, Adv.
Ms. Ravina Sharma, Adv.
Mr. Arya Hardik, Adv.
Ms. Bharti Tyagi, AOR

For Respondent(s) : Mr. B. Krishna Prasad, AOR

Mr. Yadav Narender Singh, AOR
Mr. Devesh Singh, Adv.
Mr. Madhurendra Sharma, Adv.

Mr. S. Dwarakanath, A.S.G.
Mr. Gurmeet Singh Makker, AOR
Mr. Arijit Prasad, Adv.
Mr. Prabhakar Yadav, Adv.
Mr. Mudit Bansal, Adv.
Mr. Abhyudey Kabra, Adv.
Mr. Gaurang Bhushan, Adv.
Mr. B Sunita Rao, Adv.
Mr. Devashish Bharukha, Adv.

UPON hearing the counsel the Court made the following
O R D E R

1. The appeal is disposed of in terms of the signed

order placed on the file.

2. Pending application(s), if any, shall stand disposed of.

(RAHUL KUMAR)
COURT MASTER (SH)

(KOMAL)
COURT MASTER (NSH)