

**IN THE SUPREME COURT OF INDIA  
EXTRA ORDINARY APPELLATE JURISDICTION**

**PETITION FOR SPECIAL LEAVE TO APPEAL (C) NO.7799 OF  
2026**

**HINDUSTAN PETROLEUM CORPORATION LIMITED PETITIONER(S)**

**VERSUS**

**THE UNION OF INDIA & ORS.**

**RESPONDENT(S)**

**WITH**

**SPECIAL LEAVE PETITION (CIVIL) NO 7827/2026**

**SPECIAL LEAVE PETITION (CIVIL) NO 7692/2026**

**SPECIAL LEAVE PETITION (CIVIL) NO..... OF 2026  
(@Diary No. 12091/2026)**

**O R D E R**

1. Since the issues raised in all the captioned petitions are same, the parties are also the same and the challenge is also to the self same interim order passed by the High Court, those were taken up for hearing analogously and are being disposed of by this common order.

2. It appears from the materials on record that the respondent no. 2 before us "M/s VINP Distilleries and Sugars Pvt. Ltd.," has preferred a Writ Petition No. 109133 of 2025 in the High Court of Karnataka, praying for the following relief(s):-

*"Issue a direction to the Respondents No.2 to 4 to revise the allotment made under Tender bearing No.22376 dated 23.09.2025, in line with the terms and conditions of the Long Term Offtake Agreement (LTOA) entered into between the Petitioner and the said Respondents No. 2 to 4 herein."*

3. We need not delve much into the facts giving rise to this litigation as we are inclined to dispose of all the writ petitions today itself by an appropriate order.

4. The petitioners before us floated the Expression of Interest (EOI) for setting up Dedicated Ethanol Plants (EEPs), for supply of ethanol to the Oil Marketing Companies (OMCs).

5. The respondent no. 2 before us submitted its application pursuant to the aforesaid EOI on 17<sup>th</sup> September, 2021.

6. On 13.01.2022, the respondent no. 2 entered into a Long Term Off-take Agreement (LTOA) with the petitioners herein for the annual off-take of 1.44 Crore Litres of ethanol with additional preferential allocation up to the annual designed capacity of the plant.

7. It appears to be the case of the respondent no. 2 that it completed the installation and commenced operations of the dedicated ethanol plant with capacity of 300K LPD in accordance with the EOI and the LTOA.

8. On 23<sup>rd</sup> September, 2025, the petitioners floated a Tender inviting bids for supply of approximately 1,050 Crore Litres of Denatured Anhydrous Ethanol for the

Ethanol Supply Year (ESY) 2025-26.

9. The respondent no. 2 went before the High Court by filing a writ petition redressing the grievance that although the petitioners had issued the indicative proposed allocations for the (ESY) 2025-26 yet the respondent no. 2 was allotted only 39,269 KL (3.92 Crore Litres) as against its bid for 9.26 Crore Litres.

10. A learned Single Judge of the High Court passed an interim order in writ petition referred to above dated 15<sup>th</sup> December, 2025 which reads thus:-

*"The petitioner is before this Court seeking the following prayer and the interim prayer:  
PRAYER*

*A. Pass an appropriate writ, direction or order directing the Respondents No.2 to 4 to take necessary steps in accordance with law, in relation to the Representation dated 27.10.2025 filed by the Petitioner, seeking an enhancement of the allocation in supply of ethanol to the Respondents No.2 to 4 herein under Tender NO.22376 dated 23.09.2025 for the Ethanol Supply Year 2025-26 which is produced as Annexure-A.*

*AND/OR*

B. Pass such other Order/s as this Hon'ble may deem fit and proper in the ends of justice.

INTERIM

PRAYER

A. Issue a direction to the Respondents no.2 to 4 to revise the allotment made under Tender bearing No.22376 dated 23.09.2025, in line with the terms and conditions of the Long Term Offtake Agreement (LTOA) entered into between the Petitioner and the said respondents no.2 to 4 herein.

AND/OR

B. Pass such other order/s as this Hon'ble court may deem fit and proper in the ends of justice.

The rights of the parties are governed by an long term offtake agreement with dedicated ethanol plant. The relevant Clauses of the Agreement are 6.2 and 6.8 which reads as follows:

6.2 Buyer/OMCs offer jointly an annual offtake quantity of 1.44 Cr lit of Ethanol and the Seller/Supplier commits to supply the same by participating in the vendor registration process and ethanol procurement process. Interstate movements, if required, by Buyer/OMCs should be honoured by the Seller/Supplier. The annual offtake quantity offered is on best endeavor basis to the extent of ethanol required, considering prevalent

ethanol blending percentage and MS. sale of Buyer/ OMCs, and any other factor impacting ethanol requirement, including, but not limited to, demand issues arising out of the new economic imperatives/ regulations, vehicle short supply and such similar circumstances beyond the control of Buyer/ OMCs. In case, the Seller/ Supplier intends to supply during the ongoing ESY, offtake quantity will be limited to the requirement of Buyer/ OMCs for the balance period of that ESY.

6.8 In the above EOI floated for setting up of dedicated ethanol units, in case a bidder is being issued LOI for a quantity lesser than the quantity for which they have bid. it is clarified that in case they set up plants as per their bids, Buyer/ OMCs may offer additional annual offtake quantity, beyond that offered under 6.2 above, with overall annual offtake quantity limited to the design capacity of the plant offered BY the bidder under the EOI. This additional offtake quantity by Buyer/OMCs will be given through preferential allocation in the ethanol procurement process followed by Buyer/OMCs on best endeavor basis.

Reliance is placed on Clause 6.2 by the respondent and to Clause 6.8 by the learned senior counsel Sri. Prabuling K. Navadgi.

The Clause 6.8 unequivocally mandates that, if beyond what is offered in Clause 6.2, the overall annual offtake quantity of a plant is offered by the bidder under the EOI,

*the additional offtake quantity will be through the preferential allocation in the ethanol procurement process followed by procedure.*

*The Clause 6.8 is what the learned senior counsel seeks to press into service.*

*In that light, the matter would require consideration.*

*Therefore, there shall be an interim order as prayed for, particularly in the teeth of Clause 6.8 quoted supra.*

*List the matter on 23.01.2026 for further hearing. Objections, if any, then."*

11. Thus, the plain reading of the interim order passed by the learned Single Judge would indicate that strong reliance was placed by the respondent no. 2 on Clause 6.8 of the LTOA. According to the learned Single Judge, Clause 6.8 unequivocally mandates that if beyond what is offered in Clause 6.2, the overall annual off-take quantity of the plant is offered by the bidder under the EOI, the additional off-take quantity should be through the preferential allocation in the ethanol procurement process.

12. In such circumstances, the learned Single Judge granted interim relief to the respondent no. 2 as prayed for and referred to earlier.

13. The petitioners before us being dissatisfied with the grant of interim order passed by the learned Single Judge preferred three writ appeals.

14. All the three writ appeals were taken up for hearing together and by the impugned order all the three appeals came to be dismissed, thereby affirming the interim order passed by the learned Single Judge.

15. The Division Bench while dismissing the writ appeals preferred by the petitioners, observed in paragraphs 15, 16, 17, 18 and 19 respectively as under:-

*"15. The question that arises for consideration in the present appeal is how Clause 6.8 of the agreement has to be interpreted and whether it is advisable for the writ Court to interfere in contractual matters entered into between the State and private players.*

*16. Normally, Court should not interfere in contractual matters, and the remedy for a*

*person like the petitioner would be to approach arbitration as per the Long Term Offtake Agreement contains an arbitration clause. However, when facts are not in dispute and it requires only an interpretation of the contract and the action of the State is found to be arbitrary and unreasonable on the face of it, the Court does interfere under these circumstances.*

*17. Admittedly, there is a promise made out by the Union of India urging private players to establish dedicated ethanol plants, which led to the petitioner herein establishing a dedicated ethanol plant and the Long Term Offtake Agreement being entered into with the respondents.*

*18. The respondents are bound by Clause 6 of the Long Term Offtake Agreement and Clause 6.8 pertains as to how respondents have to procure the additional ethanol produced by the petitioner over and above 1.44 crore litres per annum. They have to give preferential allocation in ethanol procurement process as per the agreed terms. It means that the tender conditions floated every year by the respondents (in this case the tender document for the year Ethanol Procurement Year 2025-26), cannot be contrary to the condition mentioned in Clause 6.8 of the Long Term Offtake*

*Agreement.*

*19. The decision of the respondents to treat the dedicated ethanol plants on par with other ethanol producing units is in violation of Clause 6.8. Other ethanol producing units, which are not dedicated for manufacturing of only ethanol, are having the liberty to produce other products like sugar cane, alcohol, denatured spirit and the like and market it elsewhere. Whereas, dedicated ethanol plants have been established at the behest of the Union of India by private players by taking huge financial risk and not giving them the preferential treatment as agreed upon, may have consequences disastrous to the very survival of the said establishments."*

16. In such circumstances referred to above, the petitioners are here before us with the present petitions.

17. We heard Mr. R. Venkataramani, the learned Attorney General, Mr. Balbir Singh and Mr. Sajan Poovayya, the learned senior counsel appearing for the petitioners in their respective petitions and Mr. Gopal Subramaniam and Dr. Abhishek Manu Singhvi, the learned senior counsel

appearing for respondent no. 2.

18. The learned Attorney General submitted that the interim relief granted by the High Court has led to reopening of the entire tender process which has attained finality. He submitted that additional allocation for supply of ethanol is not possible at this stage. He also submitted that supply of allocated quantity to various suppliers cannot be now changed at this point of time.

19. The learned Attorney General argued that additional supply would result in increase of allocations for some i.e., DEP-decrease of supply for the non-DEPs. He also pointed out that if Clause 6.8 of the LTOA is interpreted as mandatory as argued on behalf of the respondent no. 2, the DEP-1 category suppliers who have in total offered 585.3 crore Litres. would alone account for approximately 56 per cent of the total published requirement of 1,050 crore Litres which would necessitate appropriate reduction from other categories thereby displacing the non-LTOA suppliers extensively

thereby affecting their business viability. The same will have its own cascading effect.

20. The learned senior counsel appearing for the petitioners would submit that the tender allocations stood completed on 17.10.2025. The supply agreements were entered into on 27.10.2025. The principal submission before us is that the interim order passed by the High Court has disturbed the allocation already undertaken way back on 17.10.2025 and may have a cascading effect on the supply of ethanol being made currently in terms of the allocation already made to other DEPs and non-DEPs pursuant to the tender.

21. On the other hand, the learned Senior counsel appearing for the respondent no. 2 seeks to heavily rely upon Clause 6.8 of the LTOA. The sum and substance of their argument is that the petitioners could not have ignored Clause 6.8. According to both the learned senior counsel, this is exactly what the learned Single Judge of the High Court and the Division Bench looked into and in their discretion, granted the interim relief as

prayed for. According to the learned Senior counsel no interference is warranted in the present case.

22. Both the sides have manifold contentions to raise. We do not propose to enter into the merits of each and every argument canvassed on either side and return our own findings on those. We are convinced that the interim order passed by the learned Single Judge of the High Court as affirmed by the Division Bench is not sustainable in law.

23. The materials on record *prima facie* indicate the following:

1. Tender allocations stood completed on 17.10.2025 and accepted by signing definitive agreements.
2. These supplies are only for ESY 2025-26. As on 15.02.2026, 281 Crore Litres have been supplied to the OMC's under the tender.
3. ESY 2025-26 is for the period November 2025 to October 2026 only. Hence, Q1 of the ESY 2025-26 stood completed and the petitioners have entered Q2.

24. We are of the view that the High Court should have kept the aforesaid circumstances in mind before passing

the interim order in the writ petition preferred by the respondent no. 2. In matters relating to contracts/tenders writ courts should remain circumspect and slow in passing interim orders which may have the effect of seriously impeding the execution of the tender etc. In other words, the High Court should be extremely careful in exercise of its discretion while granting interim relief in the matters of the present nature.

25. In such circumstances referred to above, we have reached the conclusion that we should set aside the impugned order and request the High Court to expeditiously take up Writ Petition No. 109133/2025 preferred by the respondent no. 2 for hearing. Expeditious hearing is required because of the nature of the dispute between the parties and the adverse effect that may be caused due to delay in the adjudication of this litigation.

26. We keep all contentions open for both the sides to be canvassed before the High Court in the Writ Petition.

27. We also make it clear that any further allocation

of the ethanol by the petitioners shall be subject to the final outcome of the writ petition.

28. It is needless to clarify that the writ petition shall be decided on its own merits without being influenced by the fact that we have thought fit to set aside the interim order passed by the High Court.

29. At this stage, Mr. Balbir Singh, the learned senior counsel appearing for the Indian Sugar and Bio-Energy Manufacturers in SLP(C)..@Diary No. 12091/2026 submitted, that he may be permitted to intervene in the writ petition preferred by the respondent no.2. It shall be open for the clients of Mr. Balbir Singh to make a request to the High Court.

Upon being mentioned, the SLP(C) Diary No.12141/2026 is also taken on board.

30. With the aforesaid, all the petitions stand disposed of accordingly.

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

.....J.  
[J.B.PARDIWALA]

.....J.  
[K.V. VISWANATHAN]

New Delhi  
26<sup>th</sup> February, 2026.

ITEM NO.1+25

COURT NO.7

SECTION IV-A

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G S

Petition for Special Leave to Appeal (C) No.7799/2026

[Arising out of impugned final judgment and order dated 29-01-2026 in WA No. 100002/2026 passed by the High Court of Karnataka Circuit Bench at Dharwad]

HINDUSTAN PETROLEUM CORPORATION LIMITED

Petitioner(s)

VERSUS

THE UNION OF INDIA & ORS.

Respondent(s)

FOR ADMISSION

WITH

SLP(C) No. 7827/2026 (IV-A)

FOR ADMISSION

SLP(C) No. 7692/2026 (IV-A)

FOR ADMISSION

with

ITEM NO.25

SPECIAL LEAVE PETITION (CIVIL) Diary No. 12091/2026

IA No. 64771/2026 - PERMISSION TO FILE PETITION  
(SLP/TP/WP/..)

Date : 26-02-2026 This petition was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA

HON'BLE MR. JUSTICE K.V. VISWANATHAN

For Petitioner(s) :M/S. Dua Associates, AOR

Mr. R. Venkataramani, Attorney General for  
India

Mr. Amit Dhingra, Adv.  
Mr. Rohit Mahajan, Adv.  
Mr. Siddharth Agrawal, Adv.  
Mr. Kartikey Aggarwal, Adv.

Mr. Sajan Poovayya, Sr. Adv.  
Mr. Debmalya Banerjee, Adv.  
Mr. Arjun Sharma, Adv.  
Mr. Pranav Garg, Adv.  
Ms. Simran Kaur, Adv.  
Ms. Raksha Aggarwal, Adv.  
Mr. Harshvardhan, Adv.

Item no. 25

M/S. D.s.k. Legal, AOR  
Mr. Balbir Singh, Sr. Adv.  
Mr. Dinesh Pardasani, Adv.s  
Mr. Siddharth Chechani, Adv.  
Mr. Parth Tiwari, Adv.  
Mr. Naman Tandan, Adv.  
Mr. Chandra Prakash, Adv.

For Respondent(s) :Dr. Abhishek Manu Singhvi, Sr. Adv.  
Mr. Gopal Subramaniam, Sr. Adv.  
Mr. Ajay Kadkol, Adv.  
Mr. Prarit Sharma, Adv.  
Mr. L. Nidhiram Sharma, Adv.  
Mr. Anubhav Kumar, Adv.  
Mr. Jayavardhan Singh, Adv.  
Mr. Ankit Malhotra, Adv.  
Ms. Archi Aggarwal, Adv.  
Mr. Anirudh Alex Victor, Adv.  
Ms. Gauri Subramaniam, Adv.  
Mr. Agam Sharma, AOR

item 25

Mr. Ajay Kadkol, Adv.  
Mr. Agam Sharma, AOR  
Mr. Shashankk Padiyar, Adv.  
Mr. Sharan K., Adv.

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

1. Permission to file SLP is granted in Diary No. 12091/2026.
2. Upon being mentioned, the SLP(C) Diary No.12141/2026 is also taken on board.
3. The Special Leave Petitions are disposed of in terms of the signed order.
4. Pending application(s), if any, stands disposed of.

(CHANDRESH)  
ASTT. REGISTRAR-cum-PS

(POOJA SHARMA)  
COURT MASTER (NSH)

(Signed order is placed on the file)