

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NO. OF 2026
[Arising out of SLP (C) No.34372/2026]**

STATE OF U.P. & ANR.

...APPELLANTS

VERSUS

YADU SUGAR LIMITED

...RESPONDENT

AND

**CIVIL APPEAL NO. OF 2026
[Arising out of SLP (C) No. of 2026
@ Dy. No. 59759 of 2026]**

DHAMPUR SUGAR MILLS LIMITED & ORS.

...APPELLANTS

VERSUS

STATE OF U.P. & ORS.

...RESPONDENTS

O R D E R

- 1.** Permission to file special leave petition¹ is allowed.
- 2.** Leave granted.
- 3.** The facts requiring consideration are noted first. Both the appeals
before us arise out of a common dispute relating to allocation of sugarcane
under the Uttar Pradesh Sugarcane (Regulation of Supply and Purchase)

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RAJNI MUKHERJEE
Date: 2026.10.08
16:34:43 IST
Reason:

¹ SLP (C) Dy. No. 59759 of 2026

Act, 1953². The common impugned order was made on a writ petition³ instituted by the first respondent in the lead appeal, which is a sugar mill under the Act. The grievance of the said first respondent, canvassed before the High Court of Allahabad, was that the second respondent, i.e., the Cane Commissioner under the Act, did not allocate the requisite quota of 100.8 lakh quintals, resulting in the first respondent being closed down for the crushing season 2025-26. The reason for non-allocation of the complete quota, as per the State of Uttar Pradesh, was delayed payments in previous years on the part of the first respondent to the farmers growing sugarcane in its assigned area. The excess amount of sugarcane was reallocated to other mills, including the appellant in the connected appeal. The High Court, vide the impugned order dated 7th September 2026, allowed the writ petition while observing that the true cause for the delayed payment was non-allocation of the requisite amount of sugarcane, in the absence of any consideration for pilferage. The High Court reasoned that such non-allocation had affected production and, thereby, caused delay in payments. A directive was also issued to the Cane Commissioner to provide 100.8 lakh quintals of sugarcane to the first respondent for the upcoming crushing season of 2026-27. Aggrieved by the impugned order, these appeals have been carried to this Court.

4. The fulcrum of the dispute is the procedure prescribed by the Sugarcane Act, particularly Sections 14, 15, 16, and 17. The Sugarcane Act sets out a comprehensive procedure for determining the quantum of

² Sugarcane Act

³ Writ-C No. 26307/2026

sugarcane to be allocated to each sugar mill, and it is the case of the appellants that the first respondent bypassed these provisions by directly approaching the High Court.

5. During the course of arguments, it was pointed out on behalf of the appellants that in consonance with Section 16 of the Act read with Rule 22 of the U.P. Sugarcane (Regulation of Supply and Purchase) Rules, 1954, the statutory authority for determining the quantum of allocation of sugarcane for the upcoming crushing season of 2026/27 rests with the Cane Commissioner. The High Court's exercise of these powers before the commencement of the upcoming season would amount to usurping the jurisdiction of the Cane Commissioner; thus, not only was the writ petition premature, but interference of the High Court even before the Cane Commissioner made its order was wholly appropriate.

6. Mr. Rohatgi, learned senior counsel for the first respondent, sought to sustain the impugned order by submitting that the power conferred on the Cane Commissioner, not having been exercised despite a substantial lapse of time, the High Court was perhaps left with no other option but to make the direction it ultimately did.

7. However, having sensed that his submissions are not persuasive enough for sustaining the impugned order, Mr. Rohatgi agreed to disposal of these appeals in the manner proposed by the Court.

8. The impugned order is set aside. While the writ petition instituted by the first respondent shall stand dismissed, the Cane Commissioner is directed to pass an appropriate order with regard to allocation of sugarcane to the first respondent, in accordance with law, within a period of a fortnight

from this date, uninfluenced by any of the observations made by this Court or the High Court. Once an order is passed by the Cane Commissioner, in terms of this order, the parties shall be at liberty to work out their remedies also in accordance with law.

9. The appeals are, accordingly, allowed in part.

10. Connected applications, if any, shall stand closed.

.....J.
(DIPANKAR DATTA)

.....J.
(SHEEL NAGU)

**NEW DELHI;
OCTOBER 05, 2026.**