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**IN THE HIGH COURT OF MADHYA PRADESH
AT JABALPUR
WP No. 5176 of 2024**

(M/S NARMADA SUGAR PVT. LTD. Vs UNION OF INDIA AND OTHERS)

Dated : 18-03-2024

*Shri Naman Nagrath - Senior Advocate with Shri Jubin Prasad -
Advocate for petitioner.*

Shri Sandeep Shukla - Advocate for respondents No.1 and 2.

Shri Deepak Tiwari - Advocate for respondent No.4.

Heard on I.A.No.3266 of 2024, an application for ignoring the defaults.

It is submitted by the learned counsel for the petitioner that the defaults are removed. Hence, I.A.No.3266 of 2024 is disposed off.

The case of the petitioner is that he entered into a contract with respondents No.3, 4 and 5 in pursuant to LOA for production of Ethanol from Sugar Cane Juice, Sugar Cane Syrup and Molasses from 01.11.2023 to 31.10.2024. The quantity was also prescribed. However, by the impugned order, the quantity stood reduced and as a consequence whereof, petitioner would be undergoing a loss since the entire production was already circumscribed by the contract with the respondents No.3, 4 and 5. Subsequently they have also amended the purchase order in terms of Annexure P-10.

Therefore, the learned counsel submits that there is violation of terms of the contract. He also places reliance upon the order dated 15.12.2023 passed by the Karnataka High Court in Writ Petition No.107496 of 2023 (Hermes Distilleries Pvt. Ltd. Yadrav Vs. Union of India) wherein under similar circumstances, similar order passed by the respondents was stayed.

On considering the same, we are of the view that by unilaterally reducing

the quantum agreed upon earlier, which certainly have adverse affect on the petitioner, prima facie would be against the terms of the contract. Hence, we are of the view that the impugned orders require to be stayed.

Consequently, stay of the impugned orders dated 07.12.2023 (Annexure P-6), 15.12.2013 (Annexure P-7) and 20.12.2023 (Annexure P-8) so far as they relate to the petitioner, until further orders.

Issue rule nisi.

Reply, if any, by next date.

Respondents are at liberty to file an application seeking vacation/modification of this order.

(RAVI MALIMATH)
CHIEF JUSTICE

(VISHAL MISHRA)
JUDGE

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