

News



The Supreme Court issues a status quo order regarding the cancellation of Patanjali Foods' land allocation in Telangana.

In response to Patanjali Foods' appeal against the Telangana High Court's Division Bench's decision to stay a single judge's ruling sustaining the cancellation of its manufacturing zone in the Suryapet district, the Supreme Court today sent notice. A bench consisting of Justices JB Pardiwala and KV Vishwanathan ordered the parties to maintain the status quo in the interim and issued notice that was due back in four weeks.

In accordance with the National Mission of Edible Oils – Oil Palm (NMEO-OP) program, Patanjali Foods was given land in the districts of Nalgonda and Suryapet.

The Agriculture and Cooperation (Horti.&Seri) Department of the State of Telangana issued a government order on March 15, 2025, nullifying the Suryapet manufacturing zone allotment, which is the source of the controversy. The factory zone that was canceled was given to another business by the GO.

The Telangana High Court heard a challenge to these government orders from Patanjali Foods. Justice T. Madhavi Devi denied the writ petition on January 8, 2026.

On December 16, 2020, the Telangana government gave Patanjali 7,738 hectares in

Nalgonda District and 11,300 hectares in Suryapet District as part of the national Edible Oils–Oil Palm initiative. Four more mandals were assigned to it on June 10, 2021.

Patanjali filed an affidavit on June 28, 2021, pledging to follow the terms of the March 15, 2017 Memorandum of Agreement and to plant 1,22,595 acres of oil palm within five years.

In show-cause notifications dated December 12, 2022, December 19, 2023, and October 5, 2024, the State claimed that Patanjali had not established the processing mill within the manufacturing zone and acquired the necessary seed sprouts as required by the MoA.

On March 15, 2025, the State canceled the Suryapet allotment following a personal hearing on December 30, 2024.

According to the Single Judge, the petitioner had not proven the State's decision to be arbitrary or mala fide, and the case was contractual in character. The Court noted that there is little room for judicial review in contractual disputes and that intervention is only justified in cases when the action is capricious, prejudiced, or dishonest.

The Court observed that although Patanjali met its goals in Nalgonda, Suryapet fell short. The Court ruled that the State had the authority to evaluate performance and determine whether to extend the allotment in such cases.

Regarding the non-establishment of the processing unit, the Court dismissed the petitioner's claim that the contract did not need time. The Court observed that a government-level review meeting had established deadlines for land procurement and that numerous show-cause notices had been sent. The Court determined that the decision to cancel the Suryapet allotment could not be deemed arbitrary or in violation of Article 14 because Patanjali had been given ample chance to install the processing facility.

An appeal was submitted by Patanjali Foods to a High Court Division Bench. The Division Bench refused to give the Single Judge's order an interim stay. Patanjali filed the current SLP with the Supreme Court after being upset that the temporary respite was denied.

SLP(C) Case No. 5434/2026

Title of Case: Department of Horticulture v. Patanjali Foods Limited