

Order of Delhi High Court in NR Writ Petition filed by AIRIA, ATMA and ICRTMA

Members of AIRIA are hereby informed that the captioned industry Associations, representing NR (Natural Rubber) consuming interest, had filed Writ Petitions in the Delhi High Court seeking relief on key issues and concerns on NR. The Hearing on the Petition was held on 17th May 2010 and a copy of the Order of the Hon'ble High Court (Justice Dr. S Muralidhar) in the matter has now been received from the Counsel. The Government has been directed by the Hon'ble High Court to decide on high NR prices and inverted duty on NR and other NR related issues in a fixed time period and pass a detailed order giving reasons for the decision. A note from Mr. A K Gupta of TPM Consultant, the co-ordinating Counsel in the case, explaining the significance of the Order is appended:

"At the outset this order should be viewed as a significant positive step. Given the nature of the issues involved and relief sought, it is quite obvious that no immediate relief could have been expected from the Court. Had the Court kept the matter pending with them and given some direction to the Govt., even then, it would have taken similar or longer time frame. The order is as explained below:

1. The Court has recognized the issue raised by us. This recognition now cannot be ignored by the Central Government.
2. Even while recognizing the limited scope available to the Court in interfering in the matters of price fixation, the Court has held that it can enquire whether the procedures have been adopted in price decision matters. The Court has also held that sufficient procedure does not appear to have been undertaken by the Government. It is also recognized that the Govt. has not adequately addressed the issues raised by the natural rubber consumers.
3. The Court has expressed clear views that the Govt. should carefully consider representation of natural rubber consumers, give them a hearing and thereafter pass a detailed order, giving reasons for the decision. It has also been conveyed that such decision of the Govt. can become a matter of judicial review. In other words, the Govt. cannot take any decision as they deem fit. They would be cautious that they might have to answer the decision in the Court.
4. A very strict time limits have been laid down in the order which are as follows:
 - (a) Consider the representations within 8 weeks from 17th May [i.e., about 16th July]
 - (b) Grant a hearing for the natural rubber consumers with at least 10 days advance notice. Any point not urged by the natural rubber consumers so far in the history can also be added;
 - (c) Govt. will have to pass an order in 4 weeks [i.e. about 16th Aug.];
 - (d) Communication of the order – 2 weeks. [i.e. about 31st Aug.].

Thus upper limits to the Govt. for communicating the order to us is 14 weeks."

The Association will keep the industry informed of further developments, through this journal in due course of time.