

ITEM NO.202

COURT NO.4

SECTION XV

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(s) for Special Leave to Appeal (Civil) No(s).11046/2007

(From the judgement and order dated 21/03/2007 in DBCWP No.351/2007
of The HIGH COURT OF RAJASTHAN AT JAIPUR)

STATE OF RAJASTHAN & ANR.

Petitioner(s)

VERSUS

UNION OF INDIA & ANR.

Respondent(s)

(With appln(s) for exemption from filing O.T of newspaper
reports, permission to file additional documents, and prayer for
interim relief and office report)
(FOR FINAL DISPOSAL)

WITH
SLP(C) NO. 23229 of 2007
(With appln.(s) for c/delay in filing SLP and prayer for interim
relief and office report)
(FOR FINAL DISPOSAL)

Date: 30/04/2010 These Petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE R.V. RAVEENDRAN
HON'BLE MR. JUSTICE R.M. LODHA

For Petitioner(s) Dr.Manish Singhvi, Addl, A.G. (State of Rajasthan)
Mr. Devanshu Kumar Devesh, Adv.
Mr. Vinay Kumar Sharma, Adv.
Mr. Milind Kumar, Adv.

For Respondent(s) Mr. Mohan Jain, ASG
Mr. D.K. Thakur, Adv.
Ms. Rohini Mukherjee, Adv.
Mr. Ashok Bhan, Adv.
Mr. A.K. Sharma, Adv.

2

Mr. Amit Pawan , Adv
Mr. B. Krishna Prasad, Adv.

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

Delay condoned.

Leave granted.

The appeals are allowed in terms of the signed
order setting aside the impugned order dated 16.1.2007
taking suo moto cognizance in regard to the proposed

shifting of Refinery and interim order dated 21.3.2007 in regard to the economic policies of the State Government. The writ petition before the High Court is therefore closed.

(O.P. Sharma) (M.S. Negi)
Court Master Court Master
(Signed order is placed on the file)

3

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.4017 OF 2010
[Arising out of SLP(C) No.11046 of 2007]

WITH

CIVIL APPEAL NO.4018 OF 2010
[Arising out of SLP(C) No.23329 of 2007]

STATE OF RAJASTHAN & ORS.

.....APPELLANTS

Versus

UNION OF INDIA & ANR.

.....RESPONDENT
S

O R D E R

Leave granted. Heard learned counsel for the parties.

2. On 16.1.2007, the High Court took suo-motu notice of a newspaper report that a proposal to set up a refinery at Barmer in the State of Rajasthan was cancelled and it was proposed to shift the refinery to Gujarat, and directed registration of a PIL to examine the 'deflection of economic justice in the State of Rajasthan' and to take corrective measures. The relevant portion of the order dated 16.1.2007 is extracted below :

"It is felt that such a callous neglect towards economic development of undeveloped zones is to restrict the fruits of development to a few, placed at advantageous condition, economically

4

geographically and socially and to deny equality in economic development of various regions of State. Inaction on the part of respondents authority of State functions

who are under obligation to act in furtherance of equality and justice enshrined in Preamble of the Constitution is an issue which concerns deflection of justice economic and needs to be examined by the Court and to take corrective measures, if so required. X x x

The notices be issued to the State of Rajasthan through its Chief Secretary, Principal Finance Secretary, Secretary, Ministry of Petroleum, Government of Rajasthan and to U.O.I. through Secretary, Ministry of Petroleum & Secretary, Ministry of Industries. Notices be issued to ONGC also through its Chairman to explain and report about the alleged withdrawal of proposal to set up Refinery in Rajasthan. Lapse on the part of Govt., which has resulted in withdrawal of proposal to set up the oil refinery in the State of Rajasthan by ONGC affecting the potential growth in industrial sector in backward area of Rajasthan which has been allowed to slip out of the State on account of the bureaucratic lapses need to be explained by Government authorities."

3. In the said PIL the High Court made the following interim order on 21.3.2007:

"...Attention of Mr. Lodha, AAG, who was present along with the Finance Secretary of the State was drawn to the issues raised in the notice about the non-development of economic growth in the various economic zones of the State for which they sought some time to place on record appropriate statistics pertaining to the status of different economic zones in relation to their growth graph of last two decades and projected development plans for those areas and allocation of funds made therefore and other relevant material to provide a full

5

picture of the progress made in respect of those zones, particularly keeping in mind the backward and most backward area and the Tribal areas of the States. Information about the rate of comparative growth achieved in those areas may also be furnished about projected Special Economic Zones to be developed in the State in the context of aforesaid requirement."

The said interim direction dated 21.3.2007 and the order dated 16.1.2007 directing the registration of a PIL are challenged in these appeals by special leave.

4. It is well settled that courts should not interfere

with the policies of the Government in general, and economic policies in particular. We are of the view that the decision of the High Court to register a public interest litigation suo moto, to define and regulate the policy of the state in regard to an economic developmental activity was not justified. It is for the state government to make appropriate policies in such matters. Registration of a PIL was therefore misconceived.

5. We may also note that the learned Additional Solicitor General appearing for the Union Government submitted that the assumption of the Court that there was any proposal to shift the refinery from Rajasthan to Gujarat was without basis. Be that as it may.

6

6. The interim direction dated 21.3.2007 seeking particulars about non-development of economic growth in various zones of the State in the last two decades and about the comparative economic growth achieved in those areas, was not warranted as those are issues where judicial review is limited to grounds of arbitrability/malafides. The particulars/documents sought had nothing to do with the PIL.

7. We, therefore allow these appeals, and set aside the impugned order dated 16.1.2007 taking suo moto cognizance in regard to the proposed shifting of Refinery and interim order dated 21.3.2007 in regard to the economic policies of the State Government. The writ petition before the High Court is therefore closed.

.....J.
(R.V. RAVEENDRAN)

New Delhi;

.....J.

April 30, 2010.

(R.M. LODHA)