Shephali

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
WRIT PETITION NO. 2484 OF 2013

M/s. I. G. Petrochemicals Ltd. ...Petitioner
Versus
The Union of India & 3 Ors. ...Respondents

Mr. Karan Adik, *a/w Mr. Hussien Bengali, i/b M/s. Jayakar & Partners, for the Petitioner.*
Mr. A. R Verma, *for the Respondent No. 1-Union of India.*
Mr. Rakesh Singh, *a/w Ms. Prachi Sawant, i/b M/s. M. V. Kini & Co., for the Respondent No. 2.*

CORAM: S.C. DHARMADHIKARI & G.S. PATEL, JJ.
DATED: 4th February 2016

PC:-

1. After this Petition was argued extensively on the earlier occasion and today, on instructions, the Petitioner's counsel states that the Petitioner does not press prayer clause (a).

2. The request is that relief in terms of prayer clause (b) be granted. That clause reads as under:

> "(b) that this Hon'ble Court be pleased to issue a Writ in the nature of Mandamus and/or any other appropriate Writ, Order or Direction under Article 226 of the

> Constitution of India, 1950, directing the Respondent No. 2 to delete the name of the Petitioner from their Specific Approval List;"

3. The grievance of the Petitioner is that the 2nd Respondent maintains a Specific Approval List (**"list"**) which contains the names and addresses of exporters and connected persons about whom the 2nd Respondent has an adverse report. In respect of such exporters, the Banks are expected to take a prior approval of the 2nd Respondent before extending credit facilities and insuring the same. The Petition proceeds on the footing that the Petitioner's name is still retained on this list even after the settlement of dues by way of One Time Settlement Scheme in the year 2006 with the 3rd Respondent, Canara Bank. The 4th Respondent Bank, with whom the Petitioner had dealings, has also accepted a settlement. It is in these circumstances, the retention of the name in the list causes harm and prejudice to the Petitioner. A further Affidavit is filed to explain the impact of this retention of the Petitioner's name in the list.

4. From paragraph 4 onwards the Petitioner sets out how the claims of two banks, Canara Bank and Bank of India arose; how the same was settled. We are not concerned with this aspect of the matter.

5. A Mandamus is sought to delete the name of the Petitioner from the list and that is a writ or direction to be issued to Respondent No. 2.

6. The Petitioner has made only vague statement at page 13 of the Petition that there are serious business repercussions. The Petitioner faces problems in obtaining credit facilities from the banks. The so-called far reaching ramifications are then forming part of a notice stated to be issued through the Advocate before filing the Petition and which, according to the counsel, constitutes a demand for justice.

7. We are not impressed by any of these submissions for there is no instance in which any bank has refused to assist the Petitioner. If that is the position and the assistance is wrongfully denied, the Petitioner has adequate remedies and under general law. As far as the circular is concerned, the challenge to the same is given up. The remaining aspect of the retention of the Petitioner's name in the list as well need not detain us. In reply to the Advocate's notice and which reply the Petitioners do not see and read as a whole Respondent No. 2 amply clarifies that the Export Credit Guarantee Corporation (**"ECGC"**) is set up so as to grant a cover styled as Export Credit Insurance cover to banks. That is intended to protect banks against losses that they may incur due to non-payment of packing credit/post shipment advances granted to exporters/clients. The ECGC, therefore, as a matter of prudent policy gives this cover and none of the parties like the Petitioner are a privy or party to it. The matter is entirely between ECGC and the individual bank.

8. Despite such cover and if the bank has settled a claim, the liability of that bank to the ECGC is not wiped out as explained in this letter. However, not to cause any prejudice to a stranger to this deal, the ECGC clarified that nothing of the kind that has transpired, including retention of the Petitioner's name in the list, disentitles them from obtaining export related advances from its bankers and its bankers could still grant export advances to it either after obtaining a specific approval from ECGC or without obtaining insurance from the ECGC. If the bank do not desire any cover, the ECGC is not forcing that on the bank. Secondly, if the bank wants to extend credit facilities, all that it has to do according to this letter, it has to either obtain a specific approval, this could also be obtained by the bank later on. Once it is the internal mechanism for protection of the bank and that is a policy decision, we do not think that as a Court we can interfere in economic and policy matters related to finance. Once there is nothing arbitrary, discriminatory or malafide and after the clarification all the more, then, the Writ Petition need not be entertained and it is dismissed. There will be no order as to costs.

(G. S. PATEL, J.) **(S. C. DHARMADHIKARI, J.)**