IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR.

WRIT PETITION NO. 3505 OF 2021

PETITIONERS :-

1. Nagraj Steel Scrap, having its office at 99, Ahuja Building, Queta Colony, Lakadganj, Nagpur 440008 through Proprietor, Mr. Prakash B. Waghdhare, Age- Occ. Business, R/at Flat no.04, Maa Bamleshwari Apartment, Queta Colony, Near Patidar Bhavan, Lakadganj, Nagpur 440008.

2. Nagraj Alloys Pvt. Ltd.
Having its office, Queta Colony, Lakadganj, Nagpur 440008 through Director, Mr. Prakash B. Waghdhare, Age- Occ. Business, R/at Flat no.004, Maa Bamleshwari Apartment, Queta Colony, Near Patidar Bhavan, Lakadganj, Nagpur 440008.

...VERSUS...

RESPONDENTS :-

1. Union of India, Through Ministry of Finance New Delhi, 110001.

2. National Credit Guarantee Trustee Company Ltd.(NCGTC).
Swavlamban Bhavan, C-11, G Block, Bandra Kurla Complex, Bandra (East) Mumbai-400051

3. Union of India, Through Ministry of Micro, Small and Medium Enterprises, New Delhi.

4. IndusInd Bank Ltd., Through its Chief Managing Director, Nagpur.

5. Ministry of Social Justice and Employment, New Delhi. 110001.

Mr.S.P. Bhandarkar, counsel for the petitioners.
Mr. U.M. Aurangabadkar, ASGI for respondent Nos.1, 3 and 5.

CORAM : SUNIL B.SHUKRE &
ANIL S.KILOR, JJ.
DATE : 16.09.2021.

O R A L J U D G M E N T (Per :Sunil B.Shukre, J.)

1. Heard the learned counsel appearing for the petitioner and learned A.S.G.I., who appears by waiving notice for respondent Nos.1, 3 and 5. At this juncture, we do not think it necessary to issue notice to the remaining respondents, as we are of the opinion that the grievance raised in this petition could be appropriately resolved if respondent No.1 is requested to look into the matter and ensure that the scheme in force is respected and implemented by the banks and finance companies.

2. Hence, Rule. Rule made returnable forthwith. Heard finally by consent of the learned counsel appearing for the parties.

3. Learned counsel for the petitioner submits that as revealed by the communication dated 23.05.2020 addressed to the Chairman and Managing Director of the Scheduled Commercial Banks Financial Institutions and Non-Banking Finance Companies, Government of India through Ministry of Finance, Department of Financial Services, introduced a Credit Guarantee Scheme called "Emergency Credit Line Guarantee Scheme", whereby 100% coverage by way of guarantee for repayment of additional working capital term loan (in case of banks and financial institutions) and additional term loans (in case of NBFCs) up to 20% of their entire outstanding credit up to Rs.25 crore i.e up to Rs.5 crore, as on February 29, 2020, subject to the account being less than or equal to 60 days past dues as on that date, which scheme must be implemented by the banks and financial institutions.

4. The learned counsel for the petitioner further submits that being desirous of availing of the aforestated guarantee coverage, the petitioner made an application to respondent No.4-Bank on 06.08.2020 and thereafter, sent reminders to respondent No.4-Bank but, respondent No.4 did not take any decision on the application and the application is still pending. He also submits

that respondent No.4, except for acknowledging the pendncy of the application, has not done anything in respect of the application so far.

5. Mr. Bhandarkar, learned counsel submits, relying upon the view taken by the Hon'ble Apex Court in the case of *Gajendra Sharma Vs.Union of India and anr.,* reported in ***(2021) 1 SCC 210*** that when Government of India, Ministry of Finance floats a scheme, it must ensure that it's benefits percolate to those for whom the financial benefits are intended to be extended. Thus, learned counsel for the petitioner submits that necessary directions be issued to the respondents in the matter.

6. Learned A.S.G.I. submits that he would seek appropriate instructions from the respondent Nos.1,3 and 5.

7. We do not think that there is any need for learned A.S.G.I to seek instructions in the matter, when the law is clear and this petition can be disposed of on the basis of applicable law.

8. There is no dispute about the fact that the aforestated Guarantee Coverage Scheme has indeed been introduced by

Government of India through Ministry of Finance i.e respondent No.1. This scheme is meant for extending some relief to the creditors, in the nature of giving of guarantee regarding repayment of the outstanding dues to certain extent and also to the borrower, in the nature of something existing as a reserve to fall back upon in case of need. In other words this scheme makes an endeavour to keep economic system of Country healthy and vibrant and, therefore, is in public interest. It then follows that the Ministry which introduces such a scheme must ensure that the scheme is implemented in it's right spirit and taken to its logical end.

9. In the case of *Gajendra Sharma Vs. Union of India* (cited supra) in paragraph 15, the Hon'ble Apex Court, while disposing of the petition issued some directions and it would be useful for the purpose of this petition to reproduce those directions here. They read as under :-

> "We dispose of the present writ petition with directions to the respondents to ensure that all steps be taken to implement the decisions dated 23.10.2020 of the Government of India, Ministry of Finance so that benefit as contemplated by the Government of India percolates to those for

> whom the financial benefits have been envisaged and extended."

10. In view of above, we are of the opinion that this petition could be directed to be treated as a representation made by the petitioner to respondent No.1 with a further direction to respondent No.1 to decide the same appropriately, in the light of the observations made by the Hon'ble Apex Court in the aforestated case of *Gajendra Sharma Vs. Union of India (cited supra*) and in the right spirit of the guarantee coverage scheme.

11. The petition is, therefore, partly allowed. It is directed that this petition shall be treated as representation by the respondent no.1 and it is further directed that appropriate action and decision shall be taken thereon by respondent No.1, in the light of the observations made by the Hon'ble Supreme Court of India in the case of *Gajendra Sharma Vs.Union of India (cited supra)* and also in the right spirit of the Emergency Credit Line Guarantee Scheme within four weeks from the date of receipt of the order, in accordance with law.

Rule accordingly. No costs.

(ANIL S. KILOR, J) (SUNIL B. SHUKRE, J)

Kavita