

*M.S. Ramachandra Rao, H.S. Madaan, JJ / Er.Sandeep Suri, for the petitioners. Mr.Shekhar Verma, for the respondents. /*

ECLGS - Emergency Credit Line Guarantee Scheme - Denial of benefit under - Disbursal of the amount under the scheme was withheld raising a plea that all outstandings had to be paid as a condition precedent for such disbursal - A reading of the Operational Guidelines nowhere indicates that all outstanding dues must be cleared before disbursal of the amount under the ECLGS - Scheme appears to be part of several measures introduced by the RBI to give relief to businesses which have been affected on account of Covid-19 Pandemic and since the Scheme envisages in clause 18 thereof liberal sanctioning subject to fulfillment of norms, benefits under the Scheme cannot be denied on the basis of grounds which are not covered under the Scheme - Scheme appears to be thus intended only for borrowers having outstanding dues and not for borrowers without dues - If the entire outstanding loans are required to be cleared before disbursal then such a business enterprise would not require the emergency credit line guarantee at all - Directed to pay the amount - Action of the HDFC in denying benefit under the ECLGS to the petitioner is declared as arbitrary, illegal and violative of Art.14 and Art. 19 (1)(g) of the Constitution of India .

**[\(2022-2\)206 PLR 790](#)**