CASE COMMENT: UNITED COMMERCIAL BANK V. BANK OF INDIA

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BENCH: Justice A.P. Sen and Justice D.A. Desai

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INTRODUCTION

In the year 1981, the Supreme Court of India gave a milestone judgement in the field of banking and commercial law in the case of United Commercial Bank v. Bank of India (1981) where it specifically addressed the issue of legal independence of bank guarantees and letters of credit. The appellant and the respondent were two major nationalized banks in a dispute relating to the execution of the respective obligations under a documentary letter of credit[1]. The case was pending in the previous proceedings in the Calcutta High Court; hence the case was filed as per the appellate jurisdiction given in Article 136 of the Indian Constitution by the Supreme Court.[2]

The question before the court was whether a court could enjoin a bank from reimbursing a letter of credit in the face of conflicting interpretations by the buyer and seller of whether the underlying contract was valid.[3] The Supreme Court decided that these kinds of documents are separate from and distinct from the transaction and that, in line with international practice in banking and the Uniform Customs and Practice for Documentary Credits (UCP) that such documents are independent and distinct from the underlying banking transaction.[4]

The Court's pronouncement was based on the principle of independence and that judicial intervention would only be allowed where there is gross fraud or irreparable injustice.[5] This

[1] *United Commercial Bank v. Bank of India*, (1981) 2 S.C.C. 766 (India).
[2] INDIA CONST. art. 136.
[3] *United Commercial Bank*, (1981) 2 S.C.C. at 774–77.
[4] Int'l Chamber of Commerce, *Uniform Customs and Practice for Documentary Credits* (UCP 290) (1974).
[5] *United Commercial Bank*, (1981) 2 S.C.C. at 778–80.

guaranteed the integrity, predictability and business effectiveness of the banking system, essential to national and foreign commerce. The case of United Commercial Bank v. Bank of India, 1981 is an important one in Indian Law as it is a case which brings together the principles of equity and the working of the business.

Keywords: Letter of Credit; Autonomy Principle; Bank Guarantee; UCP 290; Banking Law; Commercial Law; Fraud Exception; Irretrievable Injustice; Judicial Intervention; International Trade Finance.

BACKGROUND AND FACTS OF THE CASE

In the case of United Commercial Bank v. Bank of India, the dispute was related to a commercial sale of tea by an exporter, M/s. To his foreign customer, Samrat International Pvt. Ltd. To pay for the above transaction, UCO Bank issued a letter of credit (L/C) in favor of the exporter, on behalf of the buyer. The Bank of India was asked to negotiate the documents and send to another bank for export of goods and it was the negotiating bank.[6]

The exporter on his side, submitted the shipping documents, bill of exchanges and shipping invoices to the Bank of India according to the terms of the letter of credit. The quality and delivery of the goods was then admitted to be in dispute and the buyer requested that UCO Bank refuse to honour the letter of credit. UCO Bank once tried to stop the payment upon a buyer's request, owing to the deficiency of the documents.[7]

Subsequently, the Bank of India filed a suit in the Calcutta High Court against UCO Bank for an injunction against it not paying under the letter of credit. The single judge, who has handed down an interim injunction, directed UCO Bank to withhold release of the money.[8] This was overruled by the Division Bench on the grounds that the independence and confidence of letters of credit in trade transactions would be undermined if they were subject to judicial interference.[9]

UCO Bank therefore filed an appeal in the Supreme Court of India seeking its appellate jurisdiction under Article 136 of the Constitution of India against the said order[10]. The sections

6 United Commercial Bank, (1981) 2 S.C.C. at 767–73.
7 Id. at 770–72.
8 Id. at 772–73.
9 Id. at 773.
10 INDIA CONST. art. 136.

of the Indian Contract Act, 1872 (Sections 126 to 129)[11] and Specific Relief Act, 1963 (Sections 10 and 13)[12] that were called upon for consideration were those relating to contracts of guarantee and suretyship, and granting injunctions respectively. The Court also adopted the international trade law rules established in the Uniform Customs and Practice for Documentary Credits, or UCP 290 , which was the norm around the world regulating letters of credit then.

Legal Background and Relevant legislation:

- Constitution of India, Article 136:

Appellate jurisdiction of the Supreme Court to consider questions of justice and law from High Court decisions.[13]

- Sections 126–129, Indian Contract Act, 1872:

Introduced the legal nature of guarantees of contract, surety liability and perpetuities of guarantees, which have a similar analogy with bank guarantees and letters of credit.

- Section 10 & 13, Specific Relief Act, 1963:

Having laid down the circumstances under which specific performance and injunctive relief can be granted. The provisions mentioned were required to find out whether the High Court had given the interim injunction in UCO Bank in a lawful way.[14]

- Uniform Customs and Practice for Documentary Credits (UCP 290):

A tenet of the case is the principle of the independent nature of letters of credit, an international code of practice that defines the independent nature of letters of credit, that is, that banks are dealing in documents rather than in goods.

Summary of Facts:

That is, whether a bank, having opened a letter of credit, could be prevented from performing on its commitment because of the difference between the buyer and the seller. The facts

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[11] Indian Contract Act, No. 9 of 1872, Section. 126–129, India Code (1872).
[12] Specific Relief Act, No. 47 of 1963, Sections. 10, 13 (India)
[13] INDIA CONST. art. 136.
[14] Specific Relief Act, 1963 (Sections 10 & 13)

presented a doctrinal dilemma between the rights of the parties to contract and the obligations of the banks, and the Court was forced to reconcile the free exercise of contract with the interests of the parties protected by the Indian law of equity and discretion.

ISSUES

1. Whether the High Court was right to grant an injunction to enjoin the United Commercial Bank from paying under the letter of credit to the beneficiary.[15]

   The question before this Court was whether or not a court's restriction on a bank's payment under a validly issued letter of credit was lawful, particularly under the doctrine of autonomy that governs letters of credit.

2. Whether the contractual obligations created in the letter of credit are independent of the underlying commercial contract between the buyer and the seller. [16]

   The Court had to determine whether disputes over the quality of goods, the performance of the contract or breach of the underlying sale warranties could be a legal basis to affect the banker's duty to honour the letter of credit, or whether the bank's duty was ministerial and documentary.

3. If there are alleged discrepancies and/or any possible fraud, whether or not equitable intervention in the form of an injunction is warranted.

   The issue before this Court was: What was the extent of equitable jurisdiction exercised by court under Section 36 to 42 of Specific Relief Act, 1963[17] and whether fraud, misrepresentation or irretrievable injustice could be a ground to enjoin a bank from performing its independent commitment?

4. Whether the principles stated in the Uniform Customs and Practice for Documentary Credits (UCP 290)[18] should be used as a guide in the development of Indian banking law in determining the obligations of the issuing and negotiating banks.

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[15] United Commercial Bank, (1981) 2 S.C.C. at 776–78.
[16] Id. at 777–79.
[17] Specific Relief Act, No. 47 of 1963, §§ 36–42 (India).
[18] UCP 290, supra note 4.

This problem focussed on harmonising the Indian law with international trade practices and considered the persuasive strength of the UCP rules in the backdrop of domestic laws under the Indian Contract Act 1872 and the Specific Relief Act 1963.

THE ARGUMENTS OF BOTH SIDES.

I. **The United Commercial Bank is the plaintiff and was the owner of the property.**

The appellant United Commercial Bank (UCO Bank) presented a series of arguments in respect of the independent and documentary nature of the letter of credit mechanism saying that the High Court injunction had abolished the principles of commercial and banking law.[19]

- Autonomy of the Letter of Credit:

The appellant contended that a letter of credit is an independent, irrevocable agreement of the bank to pay when the documents comply with the requirements of the credit. The liability of the bank thus arises only based on the documents presented, not from the performance of the contract between the buyer and seller.[20]

- Judicial non-interference:

The Calcutta High Court had issued an injunction which was said to be an unwarranted encroachment into a purely commercial contract, which is in accord with banking custom. The appellant had cited the doctrine of autonomy recognised in English and American law (which was enunciated in the case of Sztejn v. J. Henry Schroder Banking Corporation, 1941) that the courts did not have jurisdiction to interfere with such payment unless there was "palpable proof of fraud of a gross kind".[21]

- Commercial Certainty and International Credibility:

The appellant pointed out that the letters of credit form the lifeline of international trade and any judicial interference in its working would result in loss of the business confidence and the

[19] United Commercial Bank v. Bank of India, (1981) 2 S.C.C. 766, 775–77 (India).
[20] Id. at 776–77.
[21] Sztejn v. J. Henry Schroder Banking Corp., 31 N.Y.S.2d 631, 634–35 (N.Y. Sup. Ct. 1941).

loss of credibility of Indian banking system in international trading market.[22]

- Absence of Fraud:

The UCO Bank contended that there was no allegation or evidence of any fraud by the beneficiary or negotiating bank. Therefore, the injunction could not be warranted by the limited exceptions allowed by law.

- Statutory Backing:

The Specific Relief Act, 1963 (Sections 36-42) was also relied upon by the appellant which provides that no injunction shall be issued to stop the enforcement of a legal contract except in special situations, such as fraud or irretrievable injustice. Also, in terms of Sections 126–129 of the Indian Contract Act, 1872, a letter of credit, although akin to a guarantee, is contractually independent of the transaction underlying it.[23]

II. The Respondent - Bank of India, submitted its arguments.

The Bank of India, the respondent, has sought to uphold the injunction and maintenance of the equitable jurisdiction of the High Court. It was submitted on the grounds of equity, good faith and avoiding any likely injustice .

- The fairness of Courts.Fairness of Courts:

The respondent contended that the courts have the inherent jurisdiction to grant injunctions as per the Specific Relief Act, 1963,[24] for avoiding ‘prospective injustice' or ‘breach of good faith'. If there are discrepancies in documents or the possibility of fraud, then judicial restraint on payment is justifiable in case of irretrievable loss.

- Document Discrepancies:

It was argued that the documents tendered under the letter of credit were not in accordance with the terms of the letter of credit. In such a case, UCO Bank, therefore, had a right to

[22] Id. at 779–80.
[23] Indian Contract Act, No. 9 of 1872, §§ 126–129, India Code (1872); Specific Relief Act, No. 47 of 1963, §§ 36–42 (India).
[24] Specific Relief Act, No. 47 of 1963, §§ 36–42 (India).

withhold payment until due conformity is shown.

- Substantiating Transaction and Good Faith:

The respondent contended that the issuing bank could not fully separate itself from the supporting transaction, especially when the buyer's claims of bad goods or failure of the exporter. In these instances, good faith obligation of the bank calls for restraint in the meantime until dispute resolution .

- Public Policy Considerations:

The public interest in not just an unfair enrichment, and maintaining integrity of trade transactions, was also relied upon by the respondent. An exporter who wants to claim payment for the goods that are faulty may use a temporary injunction as a protection from the abuse of banking instruments.

- Precedential and Equitable Support:

The respondent had relied on the precedents of India, which had provided for the limited role of the courts to prevent injustice (Central Bank of India versus Vrajlal Kapurchand Gandhi, 1969) [25]and also contended that the High Court injunction was a reasonable exercise of discretion, in keeping with equitable considerations.

Analytical Observation

The arguments outlined a basic doctrinal difference between commercial certainty (propounded by the appellant) and equitable control (claimed by the respondent). Whereas UCO Bank attempted to maintain the self-sufficiency of the letter of credit, the Bank of India stood for judicial consideration in context where moral or factual abnormalities might occur. This dialectical tension then compelled the Supreme Court to demarcate the limits of equitable intervention within the domain of self-sufficient banking transactions.[26]

APPLICATION OF LAW

In its ruling, Justice A.P. Sen of the Indian Supreme Court looked into the doctrine of limitation

[25] Cent. Bank of India v. Vrajlal Kapurchand Gandhi, A.I.R. 1969 Guj. 292 (India).
[26] United Commercial Bank, (1981) 2 S.C.C. at 775–80.

on judicial intervention in letter of credit and bank guarantee transactions with profound scrutiny. The Court considered both domestic legislation and international commercial practice, and synthesized its analysis[27]

- The first is the Autonomy Principle in the Indian Contract Law. The Court reiterated that a letter of credit is an independent, self-standing contract between the issuing bank and the beneficiary.[28]

  Citing Sections 126–129 of the Indian Contract Act, 1872, the Court drew parallels between the bank's liability and that of a surety under a contract of guarantee, but made it clear that the bank's liability under a letter of credit is direct and absolute, and not dependent on the underlying contract of sale. According to the independence principle, the banks should only deal with documents and not commodities, that is, only deal with documents that meet the conditions of the credit. [29]

- Once the bank verifies compliance, it should process the payment, irrespective of any dispute between the buyer and seller that may arise in the future. This rationale brought Indian jurisprudence in line with the doctrine that has been enunciated in English law such as Sztejn v. J. Henry Schroder Banking Corp. in 1941, and Discount Records Ltd. v. Barclays Bank Ltd. in 1975, which made international commercial uniformity.[30]

- 3rd, there is a narrow scope of operation of the Specific Relief Act, 1963.

  In Sections 36-42 of the Specific Relief Act, 1963, the Court has ruled that injunction against enforcement of legall contractual obligation can be issued only under exceptional circumstances; namely, where there is fraud of a very extraordinary nature or irretrievable injustice.

- Allows students to demonstrate their understanding through logical concepts, and It impacts the transaction of the beneficiary with the bank and not just the buyer-seller

[27] Id. at 776–80.
[28] Id. at 776–80.
[29] Indian Contract Act, No. 9 of 1872, §§ 126–129, India Code (1872); United Commercial Bank, (1981) 2 S.C.C. at 777–78.
[30] Sztejn v. J. Henry Schroder Banking Corp., 31 N.Y.S.2d 631, 634–35 (N.Y. Sup. Ct. 1941); Discount Records Ltd. v. Barclays Bank Ltd., [1975] 1 W.L.R. 315 (C.A.).

transaction.

The High Court thus held the injunction to be violative of Section 41(e) of the Specific Relief Act, which prohibits granting an injunction to restrain the legal acts when there is a proper alternative remedy available to the applicant.[31]

- Work on the inclusion of International Trade Standards - UCP 290:

  The Supreme Court gave a general reference to Uniform Customs and Practice for Documentary Credits (UCP 290), which is the internationally accepted code issued by International Chamber of Commerce (ICC) and the Court held that Indian banks are required to abide by the provisions of the UCP in international trade as it is automatically incorporated in every letter of credit unless excluded[32]. Article 3 of UCP 290 clarifies that a credit is a separate transaction from the underlying contract and that banks do not need to be worried about the buyer-seller conflict. The Court thus accepted the UCP as a good source of law and ensured the uniformity of the commercial practices in India and internationally.[33]

- Fraud and Irretrievable Injustice Exception:

  The Court adopted the "fraud exception" doctrine of Anglo-American law that the bank may deny payment only if the beneficiary defrauded the bank in regard to the transaction's underlying purpose. Similarly, the "irretrievable injustice" was established as a second reason for refusing a credit where he or she would be harmed if they paid the credit in an irremediable manner. But in the case at bar there is no case of fraud or injustice of irretrievable kind. The problem is that the problems the buyer was challenging were quality and performance of goods, and this only concerns the basic contract, not the independent obligation of the bank.[34]

DECISION BY COURT

The Calcutta High Court in a landmark order, which was read by Justice A.P. Sen of the

[31] Specific Relief Act, No. 47 of 1963, § 41(e) (India).
[32] Int'l Chamber of Commerce, Uniform Customs and Practice for Documentary Credits (UCP 290) art. 3 (1974).
[33] United Commercial Bank, (1981) 2 S.C.C. at 777–79.
[34] Id. at 779–80; Sztejn, 31 N.Y.S.2d at 634–35.

Supreme Court, lifted the injunction imposed by the High Court on the United Commercial Bank (UCO Bank). The SC again stated that the L/C is a separate contract from the underlying contract; and that judges should refrain from interfering with L/C transactions, which are of perpetual validity and follow the principles laid down by the SC.[35]

1. The High Court overturned the injunction:

The Court held that there was nothing wrong in granting an interim type injunction by the Calcutta High Court against the issuing bank from issuing the letter of credit. It added that such an injunction would not be "in keeping with generally accepted principles of banking transactions because it would be a hindrance to a self-contained and independent liability of the beneficiary and the issuing bank. The High Court, thus, prevented UCO Bank from making payment, thereby also impugning the sanctity of the international credit instruments and, consequently, undermining the commercial confidence in Indian banking system.[36]

2. Perception of the Autonomy Principle:

The Court reasserted that the issuing bank's liability under a letter of credit is absolute, as long as the beneficiary had complied with the documentary conditions agreed upon thereunder. The bank's commitment is independent and separate from the underlying sale contract of buyer and seller. Both local statutory thinking and cross-border trade practices were reflected in this principle as codified in the Uniform Customs and Practice for Documentary Credits (UCP 290[37]). The Court noted that banks are not merchants, but rather deal in documents, and that any representations about quality or performance cannot justify non-payment or judicial restraint.[38]

3. The Limited Exception is an exception that applies only to fraud and irretrievable injustice.

The Court held, however, two narrow exceptions to the autonomy principle:

(a) Fraud Exception: Where there is palpable and undisputed evidence that the beneficiary has acted in fraud touching the very root of the transaction, the bank can decline payment, and a

[35] United Commercial Bank v. Bank of India, (1981) 2 S.C.C. 766, 780–82 (India).
[36] Id. at 780.
[37] Id. at 780–81.
[38] Id. at 781

court can reasonably step in.[39]

In the case of irretrievable injustice, an injunction would be justified by payment of the credit.

(b) Irretrievable Injustice Exception: The Court in the present case did not come across any fraud or irretrievable injustice. The problems raised by the buyer were contractual in nature and in relation to the sale of goods that underlies the bank's obligation, not its own.

(c) Statutory and Equitable Interpretation: The Court, in support of its decision, cited the Specific Relief Act, 1963, Section 36-42 and found that there was no provision in the Act to use an injunction to stop the execution of a legal contract.[40] The liability of the issuing bank under the letter of credit was a separate and independent contract and any restriction on the operation of the letter of credit would be a misuse of equitable powers.

Further, according to Section 41(e) of the said Act, the Court does not grant an injunction to prevent the applicant from doing any act to which he has an adequate other remedy, such as an action for damages from the seller.[41]

4. Harmonization with International Standards:

The ruling put India's banking jurisprudence in sync with international law by confirming the binding effect of UCP norms in letter of credit transactions. The Court emphasised that international trade practices could not be ignored if the credibility of Indian banks as far as international commercial world was concerned.

5. Final Holding:

The Supreme Court in turn ruled that:

There was no legal purpose behind the injunction against UCO Bank to refuse to honour the letter of credit. The independence of the letter of credit has to be upheld in all but the most exceptional of cases. Judicial intervention should only be used to limit the amount of fraud or

[39] Id. at 781–82.
[40] Specific Relief Act, No. 47 of 1963, §§ 36–42 (India).
[41] Id. § 41(e).

irretrievable injustice;[42]

The appeal was allowed, and the order of High Court was quashed, and the injunction was withdrawn.

JUDICIAL PRONOUNCEMENT

Justice A.P. Sen, in his statement, observed:

The decision is based on the following consideration: "Opener of the confirmed letter of credit makes a contract with the seller of goods, placing an absolute duty upon the banker to pay, irrespective of any difference that might arise between the buyer and the seller; to justify such obligations by making them subject to the control of injunctions would vitiate the very foundation of international trade." [43]

DOCTRINAL IMPACT

Thus, with the advent of the United Commercial Bank v. Bank of India (1981) ruling, the legal independence of letters of credit was given to one of the cornerstones of Indian commercial law, providing a much-needed certainty in trade finance and restricting the equitable jurisdiction of courts. The judgment reinforced the banking sector in India to not let the judiciary play godfather and harmonized national jurisprudence with the international regime of documentary credit operations.[44]

AFTERMATH AND SIGNIFICANCE

United Commercial Bank v. Bank of India, (1981 AIR 1426) was a pivotal decision in India's commercial jurisprudence[45]. In its wake, it created a judicial precedent of restraint in letters of credit and bank guarantee cases. The judgment was welcomed with great applause by the business and banking world for restoring public confidence in the documentary credit mechanism which is essential for the smooth running of trade, both domestic and international.[46]

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[42] United Commercial Bank, (1981) 2 S.C.C. at 782.
[43] Id. at 779 (quoting the principle governing irrevocable letters of credit).
[44] Id. at 780–82
[45] United Commercial Bank v. Bank of India, A.I.R. 1981 S.C. 1426 (India).
[46] M. P. Jain, Indian Constitutional Law (discussing the significance of judicial restraint in commercial

Banks were now more confident that there were no grounds for the courts to set aside or block payments other than in exceptional circumstances. The Supreme Court's decision was a precedent for future cases in judicial decisions. The Court reiterated the principle in U.P. Cooperative Federation Ltd. v. Singh Consultants & Engineers (1988) 1 SCC 174, Hindustan Steelworks Construction Ltd. v. Tarapore & Co. (1996) 5 SCC 34 and Federal Bank Ltd. v. V.M. Jog Engineering Ltd. (2001) 1 SCC 663 within 10 years. Each of these cases called upon United Commercial Bank to make it sure that injunctions against banks would be issued only when there is egregious fraud invalidating the entire transaction, or irretrievable harm or injustice that cannot be rectified subsequently. This doctrinal integration provided consistency and certainty in banking disputes, bolstering India's credibility in international trade finance.

This case has brought with it a series of developments in Indian jurisprudence, shaping the contours of the two exceptions accepted by the courts. The Fraud Exception: The fraud must be of a fundamental nature, to affect the essential basis of the contract. Simply claiming a breach of or non-execution of the underlying contract will not suffice. The Irretrievable Injustice Exception: This exception is narrow and applies only when the payment would cause an irretrievable injustice, such as insolvency, impossibility of restitution, etc., as adopted from American Cyanamid. Thus, the United Commercial Bank case formed the foundation of this twofold doctrine and had an impact on the nature of the interaction of equitable consideration with commercial transactions as part of Indian law.

The case holds the central position in the history of commercial and banking law in India. It has two-fold importance. It established the principle of autonomy as part of the Indian contract law. It incorporated the Uniform Customs and Practice (UCP) an instance of transnational commercial norm, into judicial thinking in Indian courts, which is an early instance of global legal convergence. It shifted a judicial mindset by limiting the role of courts in intervening in situations, giving a backlash to the moralistic vision of courts to the functional one. The decision rendered India a more attractive safe place for foreign trade as it made banking documents credible. It recalibrated the relationship between courts and commerce, in its economic context, and adopted a "hands-off" approach that was limited to cases of "manifest illegality" or "fraud." It stressed that economic stability and confidence in the banking system is a public policy issue, not one for private contract.

adjudication)

United Commercial Bank v. Bank of India is celebrated as ushering the "commercial realism" phase of Indian private law, in theory. The case was one after 1981, when the Indian courts began to accept international trade practices and give a rational approach to the commercial logic of equity. It marks departure from the ancient equity-based law, and a movement towards the economic-functional adjudication, where certainty, efficiency and credibility are seen as normative values of the law itself. In this development, Indian jurisprudence is aligned with the principles that have been developing in English, American and Singapore courts on documentary credits.

CONCLUSION

The United Commercial Bank v Bank of India (1981 AIR 1426) case of the Supreme Court has marked a milestone in the jurisprudence of commercial and banking law of India.[47] It marked the last time the autonomy principle was expressed in the decision, and its emphasis was clear that a bank's liability under a letter of credit is different from the contractual relationship between a buyer and a seller. By doing so, the Court not only upheld the doctrinal purity of the principle of contractual autonomy, but also strengthened the integrity of financial products which form the basis of international trade. The decision was not just one about a business disagreement; it was a decision that restored balance between equity and commerce so that judges would not lose their objectivity and objectivity is as important as the structural certainty that is vital for economic transactions.

Overall, it's a judicial success of prudence and economic prudence. The Supreme Court knew that commerce would not thrive in a state of lawlessness and judicial activism. The Court's decision, which restricted the broad scope of an injunction to cases of fraud or irremediable injustice, brought Indian law into line with the international norms reflected in the Uniform Customs and Practice for Documentary Credits (UCP) and leading English and American cases. In terms of doctrine, it brought together Sections 126-129 of the Indian Contract Act, 1872 and Section 41(e) of the Specific Relief Act, 1963 with international mercantile usage, thus fusing domestic law with the dynamic lex mercatoria. This mix ensured India's position as a firm and reliable forum for international business transactions.[48] Since then, the case has been referred to again and again in later judgments like U.P. Co-operative Federal v. Singh

[47] United Commercial Bank, supra note 1.
[48] American Cyanamid Co. v. Ethicon Ltd., [1975] A.C. 396 (H.L.).

Consultants (1988) and Hindustan Steelworks Construction Ltd. v. Tarapore & Co. (1996) where it has emerged as the cornerstone of Indian banking law. It was the academically post-liberalisation jurisprudential coming of age towards commercial utility from moralistic equity. United Commercial Bank v. Bank of India, in essence, is not just a precedent, but a statement of principle: the vitality of commerce and the integrity of the financial institution depend on predictability, independence and restraint. It delivers its lasting value by linking law and commerce, allowing Indian jurisprudence to grow in an appropriate way in accordance with the priorities of global economic justice.