

Hon'ble High Court of J&K affirms that the invocation of Conditional BGs has to be done in accordance with the terms and conditions mentioned therein



As a major respite to one of the EPC contractors, Tata Power Solar Systems Ltd., the Hon'ble High Court of Jammu and Kashmir and Ladakh, vide its Order dated 13.09.2022 passed in W.P.(C) No. 1861 of 2022, while taking cognizance of the evasive and non-cogent reasons cited by State Procurement and Supplies Agency, Department of Rural Development, in the Impugned Communications seeking invocation of Conditional Bank Guarantees furnished by the Petitioner in terms of the Tender Documents and Contract Agreement executed between the aforesaid parties, was pleased to grant ad-interim ex-parte injunction on the invocation of BGs.

While granting interim protection in favour of the EPC Contractor, the Hon'ble High Court categorically stated that the BGs were conditional in nature and could only be

invoked in accordance with the terms and conditions stipulated thereunder and/or upon occurrence of any of the events stated therein.

Interestingly, the Interim Order passed by the Hon'ble High Court upholds the parameters which are required to be mandatorily fulfilled in the event of invocation of Conditional Bank Guarantees.

The said Writ Petition was filed on behalf of EPC Contractor i.e. Tata Power Solar Systems Limited, who were advised and represented by our Managing Partner, Mr. Shri Venkatesh, Senior Associates Mr. Bharat Gangadharan and Mr. Jatin Ghuliani and Associates Mr. Anant Singh Ubeja and Mr. Mohit Mansharamani.