

O.A.Nos.684 and 685 of 2020

P.T. ASHA, J.

The above application is filed for an injunction, restraining the 1st respondent from invoking the Bank guarantee dated 16.07.2019 on the ground that the applicant has not executed the Agreement as contemplated as per the tender conditions. Such a stand is taken on 02.12.2020, when the entire supply as per the modified purchased Agreement has been completed and 95% of the consideration has also been paid to the applicant after deducting some penalty charges. The deduction is the subject matter of the Conciliation before the MSME Council.

2.In these circumstances, the invocation of the Bank guarantee without issue of any show cause notice is patently illegal, however, the learned counsel for the applicant in order to safeguard the interest of the respondent would submit that the applicant would keep alive the Bank guarantee till the disposal of the MSME proceedings.

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mps

3.Mr.C.Munisamy, learned Special Government Pleader appearing for the 1st respondent would submit that the Bank guarantee has been invoked only on the ground that the applicant has not complied with the tender conditions and it is well within the right of the respondent to forfeit the security deposit.

4.Recording the submission made by the learned counsel for the applicant, the injunction is granted as prayed for. It is made clear that the applicant shall keep alive the Bank guarantee till the disposal of the MSME proceedings.

These applications are disposed of on the above lines.

mps

10.12.2020

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