

Restraining injunction secured for SAPT

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RIAA Barker Gillette practices in all areas of corporate, commercial and dispute resolution law. Leading international legal directories consistently recognize the firm as a top-tier law firm in Pakistan. RIAA Barker Gillette is the exclusive member firm in Pakistan for Lex Mundi, the world's leading network of independent law firms with in-depth experience in over 125 countries worldwide.

RIAA Barker Gillette recently secured an important injunction restraining the Karachi Port Trust from drawing down on our client South Asia Pakistan Terminals' \$2 million guarantee. This was a significant win in an ongoing dispute related to construction of a deep-water container terminal. Courts rarely restrict parties from taking demand guarantees, so obtaining the injunction was important development. Our team continues working to resolve the underlying issues.

We recently achieved a significant win for our client, South Asia Pakistan Terminals Limited ([SAPT](#)), the largest container terminal operator in Pakistan, in an ongoing dispute with the Karachi Port Trust (KPT).

SAPT is the country's first deep-water container terminal, designed to accommodate super post panamax ships. The US\$1.4 billion terminal operates as a partnership between Hutchison Ports Pakistan, a member of the [Hutchison Ports](#) network, and Karachi Port Trust.

SAPT and KPT had entered into an agreement for SAPT to construct and operate Pakistan's first deep-water container terminal at Kemari, Karachi. Under the agreement, both parties took on obligations tied to an implementation schedule. As security for meeting its obligations, SAPT provided a \$2 million performance guarantee to KPT.

The parties' obligations were interdependent under the agreement - delays by one party inevitably delayed the other. However, despite this interdependency, KPT

claimed SAPT failed to meet agreed completion dates. KPT threatened to draw down on SAPT's \$2 million guarantee funds because of the alleged delays.

As counsel for SAPT, we filed suit in the Sindh High Court seeking an injunction to prevent KPT from taking the guarantee funds. The Court granted an ad-interim order restraining KPT from calling on SAPT's guarantee.

This was an important result for SAPT, as courts rarely restrict parties from drawing on guarantees and set a high bar for granting such relief. Our Dispute Resolution Partner, Omer Soomro, called the order "a significant victory protecting our client's rights while it continues to work to resolve a complex, high-value dispute with a state entity."

Our team acting for SAPT is led by Pakistan partner, [Omer Soomro](#), and includes Senior Associate, [Danish Nayyer](#).

Should you require our assistance on complex commercial dispute, please contact [Omer Soomro](#) today.

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Note: This article is not legal advice; it provides information of general interest about current legal issues.

