



THE SUPREME COURT OF APPEAL OF SOUTH AFRICA

MEDIA SUMMARY OF JUDGMENT DELIVERED IN THE SUPREME COURT OF APPEAL

FROM The Registrar, Supreme Court of Appeal
DATE 3 December 2014
STATUS Immediate

Please note that the media summary is for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

State Bank of India and another v Denel SOC and others
(947/13) [2014] ZASCA 212 (3 December 2014)

In this appeal the SCA was required to interpret on demand guarantees furnished by a commercial bank. In particular, the SCA had to determine whether the demands for payment under the guarantees were compliant with the terms of such guarantees. It held that, in the case of seven of the eight guarantees concerned, the demands were not compliant and interdictory relief could be granted to prohibit payment being made in terms thereof. With regard to the eighth guarantee, which expressly provides that it should be governed and construed in accordance with the exclusive jurisdiction of the Indian courts, the SCA held that South African courts do not have jurisdiction to decide whether a demand made thereunder was compliant.

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