

APHC010114932026

IN THE HIGH COURT OF ANDHRA PRADESH



AT AMARAVATI

[3333]

(Special Original Jurisdiction)

Thursday, the fifth day of March, two thousand and twenty six

Present

The Honourable Ms. Justice B.S.Bhanumathi

I.A.No.1 of 2026

In

Commercial Suit No. 4/2026

Between:

Dawson Ship Management Sia

...Petitioner

and

M.V. Polar Star (IMO No. 9471666)

...Respondent

Counsel for the petitioner:

1.M/s. Indus Law Firm

Counsel for the respondent:

None

The Court made the following:

C.O.M.S. No.4 of 2026

Notice to the defendants.

Post after three (03) weeks.

B.S.BHANUMATHI, J

I.A.No.2 of 2026

This application has been filed to implead the proposed respondent No.2 as party defendant No.2 in the above suit and in the interlocutory applications filed therein.

Heard the learned counsel for the petitioner and perused the affidavit filed in support of the petition.

For the reasons stated in the affidavit, the petition is allowed.

The Registry is directed to carry out necessary amendments to the cause title in the suit and the interlocutory application(s).

B.S.BHANUMATHI, J

I.A.No.1 of 2026

This application has been filed by the petitioner to issue an *ex parte* order of arrest against the respondent No.1 Vessel, M.V.Polar Star (IMO No.9471666) along with her hull, engines, gears, tackles, bunkers, machinery, apparel, plant, furniture,

fixtures, equipment, and all other appurtenances presently at the anchorage of the Visakhapatnam Port.

2. The case of the petitioner / plaintiff, in brief, is as follows:-

a. The suit is filed against the defendant No.1, M.V.Polar Star (IMO No.9471666) for a decree for a sum of USD 833,148 along with interest of 7.5% *pendent lite* from the date of filing of the suit till the date of passing of the decree and post-judgment interest of 7.5% from the date of passing of the decree till realization.

b. The petitioner is a limited liability company incorporated under the appropriate laws of the Republic of Latvia and is engaged in the business of acting as a third party ship management service for ship-owners and demise charterers of ships. The respondent No.1 vessel is a bulk carrier flying the flag of Republic of Liberia and is currently at the Visakhapatnam Port, Andhra Pradesh, within the territorial waters within the jurisdiction of this Court. The respondent No.1, M.V.Polar Star, is in personam liable to make payment to the petitioner of a sum of USD 833,148 (United States Dollars Eight Hundred and Thirty-Three Thousand One Hundred and Forty-Eight).

c. By a ship management agreement, dated 05th September, 2024, between the petitioner and the respondent No.1, the petitioner agreed to provide technical management, crew management services for the respondent No.1 vessel for a period of one year from 10th September, 2024 to 10th September, 2025. By an addendum No.1, dated 25th August, 2025 to the ship

management agreement, the agreement had been extended to two years pursuant to which the ship management agreement would come to an end on 25th August, 2026.

d. The services rendered by the petitioner to the respondent No.1 vessel include among other things, the following:-

(i) Engaging competent and qualified master and crew for the ship on behalf of the owners (crew management)

(ii) Providing technical and operational information and management (Technical Management), which among other things includes (1) buying stores and lubricants for the respondent No.1 vessel, (2) arranging for dry-docking and surveys for the respondent No.1 vessel, (3) maintaining the respondent No.1 vessel in class and comply with requirements of class, safety regulations, the ISM and ISPS Codes;

(iii) petitioner has assumed all responsibilities for the discharge of the obligations under the ISM Code, which are *inter alia* to establish procedures to ensure that the respondent No.1 vessel is maintained in conformity with the provisions of the relevant rules and regulations and that inspections are held at appropriate intervals; to report non-conformities, to take corrective action and to keep a record of these activities. Should there have been any contravention of the ISM Code or any other regulations, the petitioner would be exposing itself to civil and criminal liabilities towards third parties. The obligations of the petitioner as an ISM Manager of the respondent No.1 vessel were *inter alia* as follows:

(a) The petitioner's responsibilities as an ISM Manager of the respondent No.1 vessel in respect of the seafarers on board the respondent No.1 vessel were to ensure that the Master of the respondent No.1 vessel is adequately qualified for command and fully conversant with the petitioner's safety management system and that the respondent No.1 vessel is manned with qualified, certificated, and medically fit seafarers under national and international requirements.

(b) The petitioner's responsibilities as an ISM Manger of the respondent No.1 vessel in respect of the maintenance of the respondent No.1 vessel were to establish procedures to ensure that the respondent No.1 vessel is maintained in conformity with the provisions of the relevant rules and regulations, undertaking inspections are held at appropriate intervals, report non-conformity and take appropriate corrective action and maintain records of the same.

e. The ship-management agreement imposed an obligation on the ship-owner (i) to pay the petitioner and its management fees of USD 17,500 per month and (2) reimburse the petitioner all expenses properly incurred by the petitioner on behalf of the ship-owner in the course of managing and operating the respondent No.1 vessel, as expressly required under the agreement.

f. The ship-owners defaulted in performing their obligations under the ship management agreement and as of 25th October, 2025, the ship-owner entered into an agreement with the petitioner wherein the ship-owner acknowledged that it is indebted to the petitioner and the affiliate companies of the petitioner, namely Dawson Group FZC of the UAE and Elmor Shipping Denizcilik Limited Sirketi of Istanbul, Turkey (“Elmor Turkey”) for a sum of USD 1,458,000. In consideration of the ship-owner acknowledging its indebtedness of USD 1,458,000 towards the petitioner, the Settlement & Debt Deferral Agreement allowed the Ship-owner to clear its admitted outstanding dues under the Settlement agreement by making nine installments of USD 162,000.000 payable by the 10th of every calendar month starting with 10th February 2026, to Elmor Turkey for and on behalf of the petitioner. Notwithstanding the fact that Elmor Turkey was to receive the nine installments of USD 162,000 from the Ship-owner for and on behalf of the petitioner, the petitioner is the principal creditor of the ship-owner. Pursuant to clause 1.2 of Settlement & Debt Deferral Agreement, both the petitioner and Elmor Turkey can enforce the claim against the ship-owner.

g. The Ship-owners were to make the first payment under the agreement, dated 10th February, 2026, however, it defaulted on the payment schedule specified in the agreement by failing to make payment of USD 162,000. Therefore, notwithstanding that the total liability of the ship-owner under the Settlement & Debt Deferral Agreement with the petitioner is USD 1,458,000 as of date, the

debt of USD 162,000 has already been crystallized. In addition to the first installment of USD 162,000 as per the running account between the petitioner and the ship-owner during the period between 01st October, 2025 and 16th February 2026, the management fee and the expenditure disbursements incurred by the petitioner for the respondent No.1 vessel amounted to USD 1,009,748, out of which the ship-owner has only paid a sum of USD 353,600 which leaves and outstanding amount of USD 656,148.93 to be paid by the ship-owners to the petitioner.

h. The petitioner has therefore, provisionally quantified its claim arising under the ship-management agreement and the settlement & debt deferral agreement against the ship-owners to USD 833,148 (United States Dollars Eight Hundred and Thirty-Three one Hundred and Forty-Eight) as follows:

Amount outstanding under the running account between the plaintiff and ship-owner	USD 656,148
First installment under the Settlement & Debt Deferral Agreement	USD 162,000
Legal costs	USD 15,000
Total	USD 833,148

3. Heard Sri Aditya Krishna Murthy, learned counsel, assisted by Sri Omkar Pradhan and Sri L.Sai Manoj Reddy, learned counsels on behalf of M/s. Indus Law Firm, the petitioner /plaintiff.

4. The learned counsel for the petitioner submits that by an e-mail message, dated 12.01.2026, the petitioner notified the ship-owner of the outstanding dues under the ship-management agreement as well as the Settlement and Debt Deferral Agreement. Thereafter, by e-mail messages, dated 30.01.2026, 06.02.2026, 15.02.2026, 16.02.2026, 17.02.2026, 26.02.2026, the petitioner called upon the respondent No.1 to immediately settle all outstanding dues. However, the respondent No.1 vessel disregarded the repeated demands of the petitioner and that the petitioner apprehends that the ship-owner would transfer / alienate the respondent No.1 vessel so as to defeat the petitioner's maritime claim in the present admiralty suit. It is further submitted that this is the only property left for the petitioner and if the vessel is allowed to sail, it would be difficult for the petitioner to realize the outstanding dues. The learned counsel further submitted that the vessel arrived at the Visakhapatnam Port on 15.02.2026 and that the vessel is likely to leave the port today unless there is a prohibitory order, and therefore, prayed for an ad-interim order of arrest of the respondent No.1 vessel pending final disposal of the suit, failing which grave and irreparable loss and injury would be caused to the petitioner.

5. Perused the material available on record.

6. A foreign vessel, no matter what flag she flies, owes temporary and local allegiance to the sovereign of any port to which she comes and the persons in such a vessel likewise must obey the laws and regulations of the port. All foreign merchant

ships and persons thereon fall under the jurisdiction of a coastal State as they enter its waters and the coastal States are entitled to assume jurisdiction in respect of maritime claims against foreign merchant ships lying in their waters and these ships are liable to be arrested and detained for the enforcement of maritime claims. Therefore, the courts of the country in which a foreign ship harbours, roadsteads and the territorial waters, subject itself to the jurisdiction of the local authorities in respect of maritime claims and it is liable to be arrested for the enforcement of such claims. (vide **M.V. Elisabeth and others vs. Harwan Investment and Trading Pvt. Ltd**).

7. On perusal of the record placed before this Court, it would show that the petitioner has raised a specific maritime claim against the respondent No.1 vessel. The respondent No.1 vessel is anchored presently at Visakhapatnam Port.

8. Since the respondent No.1 vessel is anchored at Visakhapatnam Port, within the territorial jurisdiction of this Court, this Court has admiralty jurisdiction over the same as per the provisions of the Admiralty (Jurisdiction and Settlement of Maritime Claims), 2017 (for short Act, 2017). Therefore, this Court finds that the averments in the affidavit, documents produced by the petitioner and submissions of learned counsel for the petitioner would make out a maritime claim against respondent No.1 under Section 4(l) and (p) of the Act, 2017 to invoke the admiralty jurisdiction of this Court conferred under Section 5 for arrest and

detention of respondent No.1 vessel, in order to obtain security for the claim.

9. This Court is satisfied that an arguable maritime claim is made out by the petitioner, warranting a conditional order of arrest of respondent No.1 vessel till the respondent No.1 furnishes security for the maritime claim.

10. Therefore, the following conditional order is passed:

(i) The respondent No.1 vessel by name “**M.V. Polar Star (IMO 9471666)**” along with her hull, engines, gears, tackles, bunkers, machinery, apparel, plant, furniture, fixtures, equipment, and all other appurtenances presently at the anchorage of the Visakhapatnam Port, is ordered to be arrested until the suit claim of USD 833,148 is deposited on receipt of a copy of this order, by the respondent No.1, before the Registrar (Judicial), High Court of Andhra Pradesh, Amaravati or until security for the said amount is furnished by the respondent No.1 to the satisfaction of this Court.

(ii) It is ordered that the respondent No.2 – The Port Officer, Visakhapatnam Port shall execute the Warrant and effect the arrest, seizure and detention of the said vessel “**M.V. Polar Star (IMO 9471666)**” along with her

hull, engines, gears, tackles, bunkers, machinery, apparel, plant, furniture, fixtures, equipment, and all other appurtenances, as ordered above.

(iii) The respondent No.2 is hereby directed that, after execution of arrest of the respondent No.1 Vessel, submit compliance report in detail to this Registrar (Judicial), High Court of Andhra Pradesh, Amaravati, within a period of two (02) weeks from the date of arrest of the Vessel.

(iv) It is made clear that this order will not in any way prevent the loading and unloading of cargo of the vessel.

(v) The learned counsel for the petitioner / plaintiff is permitted to inform the order of this Court to the respondents / defendants.

B.S.BHANUMATHI, J

Dt.05.03.2026
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