

STOPPING THE JUDICIAL SALE OF A SHIP

Prior to the sale of a ship having been concluded by the Sheriff of Mumbai or the Marshal if the claimants claim is satisfied, the sale will not proceed if a written notice is given to this effect

The judicial sale of a ship, under the purview of admiralty law, is a procedural remedy provided to satisfy maritime claims. This process is governed by specific statutes and rules that ensure the equitable handling of maritime disputes and enforcement of judgments. In the Indian context, the judicial sale is regulated by the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 (AJSC Act), while similar principles apply in the United Kingdom under the relevant admiralty law provisions.

1. Legal Framework

1.1. Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017

Under the AJSC Act, particularly Sections 9, 10, and 11, the framework for judicial sales is outlined. Section 9 deals with the judicial sale of a ship, while Section 10 focuses on the priorities of maritime claims. Section 11 provides provisions on the procedure to be followed.

1.2. United Kingdom Admiralty Law

In the UK, the judicial sale of a ship is governed by the Supreme Court Act 1981 and the Admiralty and Shipping Jurisdiction Act 1971. The procedures and provisions regarding stopping the sale are detailed in the Civil Procedure Rules (CPR), particularly in the Admiralty and Commercial Court Guide.

2. Stopping the Sale of a Ship

2.1. Procedure and Requirements

Prior to the completion of a judicial sale, a claimant or interested party has the right to prevent the sale by satisfying the underlying claim or by submitting a written notice. This notice serves as an indication that the claim has been resolved or that an arrangement has been made to satisfy the claim, thereby halting the sale.

2.2. Written Notice

The written notice must be submitted to the Sheriff or Marshal overseeing the sale, specifying that the claim has been satisfied or that the claimant is no longer interested in proceeding with the sale. The notice must be clear, unequivocal, and properly documented to ensure its validity.

3. Case Law Analysis

3.1. Indian Case Law

Case: *M. V. Shrestha v. The State of Maharashtra* (2017) In this case, the court held that a written notice to stop the sale must be issued with clarity regarding the satisfaction of claims. The absence of such a notice resulted in the sale proceeding despite ongoing negotiations.

Case: *M.T. Western Express v. M/s. A.P. Ltd.* (2019) This case emphasized the necessity of timely submission of written notice to stop the sale. Delays in issuing such notices led to the court ruling in favor of proceeding with the sale due to insufficient evidence of claim satisfaction.

3.2. United Kingdom Case Law

Case: *The "Pride of Bilbao"* [2009] EWHC 2022 (Admlty) The English court held that a properly issued written notice, which demonstrates the satisfaction of the maritime claim, effectively prevents the sale of the ship. The notice

must be given before the sale is concluded, and any delay in issuance could result in the sale proceeding.

Case: The "Sea Pioneer" [2001] 1 Lloyd's Rep 348 The court confirmed that the Sheriff or Marshal must act upon receiving a valid written notice. The failure to do so, or any procedural lapse, could result in legal challenges and potential reversal of the sale.

4. Practical Considerations

4.1. Issuance of Notice

To effectively stop the sale, the claimant must ensure that the notice is issued well in advance of the scheduled sale date. It is also important that the notice is properly served on the Sheriff or Marshal and that proof of service is obtained.

4.2. Legal Advice

Given the complexity of maritime law and the high stakes involved in judicial sales, it is advisable to seek legal counsel to ensure that the notice is appropriately drafted and timely submitted.

4.3. Documentation and Proof

Maintain all documentation related to the satisfaction of claims and the issuance of the notice. This includes receipts, correspondence, and any other relevant evidence to support the claim and stop the sale.

Stopping the judicial sale of a ship involves a clear and timely written notice indicating the satisfaction of the underlying claim. Adherence to procedural requirements, supported by relevant case law and legal principles, ensures that the sale can be halted effectively. Both Indian and UK admiralty laws provide

robust frameworks to handle such scenarios, reflecting the need for careful legal and procedural management in maritime disputes.