

**ANALYSIS OF SECTION 4(1)(M) OF THE ADMIRALTY
(JURISDICTION AND SETTLEMENT OF MARITIME CLAIMS)
ACT, 2017 WHICH ALLOWS THE HIGH COURT TO HEAR
AND DETERMINE DISPUTES CONCERNING
CONSTRUCTION, RECONSTRUCTION, REPAIR,
CONVERTING OR EQUIPPING OF THE VESSEL**

Section 4(1)(m) of the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 confers jurisdiction upon the High Court to adjudicate disputes relating to the construction, reconstruction, repair, converting, or equipping of vessels. This provision plays a pivotal role in granting the Admiralty Courts jurisdiction over claims arising out of contracts involving maritime engineering activities, such as the building and modification of ships. The significance of this section lies in its broad scope, enabling claims not only for construction but also for activities that involve extensive modification and upgrading of existing vessels.

This section is rooted in the maritime law principle that courts of admiralty hold a unique competence to handle claims tied to the physical integrity, seaworthiness, and functionality of vessels. By including "reconstruction, repair, converting or equipping," the provision extends the court's reach beyond the initial construction of a ship, to encompass the diverse operations that ensure the vessel's continuous operational capacity in international trade and commerce.

Courts have interpreted the phrase "construction, reconstruction, repair, converting or equipping" expansively. It includes any activity that affects the vessel's physical structure, navigational capability, or seaworthiness. Case laws have clarified that the scope is not limited to mere repairs or enhancements but extends to modifications that significantly alter the character of the vessel. For instance, in *The Sea Ranger*, a case involving a substantial reconstruction

project, the court held that "reconstruction" covered alterations that change the fundamental design of the ship.

Claims under Section 4(1)(m) are predominantly contractual, where the dispute centers around the fulfillment of obligations by shipyards, repair yards, or other service providers contracted to work on a vessel. Contracts for ship construction or repair often contain detailed specifications regarding the work to be performed. Disputes can arise due to non-compliance with these specifications, delay in delivery, or failure to meet standards of workmanship, and these fall squarely within the Admiralty Court's purview under this section.

Additionally, "converting or equipping" addresses the modern shipping industry's practices, where vessels are often modified to adapt to new uses or technologies. For example, ships originally built for cargo transport may be converted into passenger liners, offshore support vessels, or specialized tankers. The jurisdiction of the Admiralty Court under this section would apply to disputes arising from these conversion contracts, ensuring that the shipowner's interests are protected in any modification that impacts the ship's structure or functionality.

The terms "repair" and "equipping" have also been interpreted to cover routine maintenance and installation of essential navigational and operational equipment. Claims can arise if the installed equipment fails to meet contractual performance standards or if repairs leave the vessel unseaworthy, thus potentially breaching implied warranties of quality or fitness for purpose.

It is essential to recognize that Section 4(1)(m) also operates within the larger framework of maritime lien law. Maritime liens may arise in connection with certain repair or equipping contracts. If a vessel requires repairs and the shipowner defaults on payment, the service provider may seek to assert a lien over the ship, securing their claim. In such cases, the Admiralty Court has the

jurisdiction to enforce these claims by ordering the arrest of the vessel, followed by a judicial sale to satisfy the debt.

Furthermore, disputes under this section may involve multiple parties, including shipowners, contractors, subcontractors, and equipment suppliers. The High Court, when exercising admiralty jurisdiction, can determine claims between these parties, ensuring that each party's rights and obligations under the contract are enforced fairly. In *The Halcyon Isle*, the court emphasized that the complexity of multi-party contracts for ship construction and repair justifies the broad jurisdiction of the Admiralty Court, as it can simultaneously resolve interrelated disputes, avoiding the inefficiencies of fragmented litigation.

In disputes concerning the reconstruction or converting of a vessel, questions of implied terms may often arise. Parties may implicitly agree to certain conditions regarding the quality of work, timelines, and the performance of the vessel after reconstruction. Courts have consistently upheld the principle that such implied terms are enforceable, as in *Tramp Shipping Corporation v. S.L. Diamond*, where the court recognized implied warranties of seaworthiness following repair works.

Moreover, Section 4(1)(m) intersects with international maritime conventions, such as the 1999 Arrest Convention, which allows for the arrest of vessels for claims arising out of the construction, reconstruction, repair, or equipping of the vessel. This international alignment strengthens the provision's enforceability in cross-border disputes, ensuring that claimants can secure their interests even when the vessel or its owner is not domiciled in India.

Another important dimension of this provision is its relevance to shipbuilders' and repairers' liability insurance. Disputes often arise when damage occurs during construction or repair, and questions of liability and insurance coverage must be resolved. Admiralty courts, under this section, are empowered to interpret and enforce insurance contracts, ensuring that the

shipbuilder or repairer can recover their losses in case of damage to the vessel during construction or repair.

In the context of Indian law, the Admiralty Courts have repeatedly underscored the importance of Section 4(1)(m). In *MV Prabhu Daya*, the court dealt with a case where the shipowner brought a claim against a shipyard for substandard repairs. The court held that the shipyard's failure to perform repairs adequately fell squarely within the jurisdiction of the Admiralty Court, given that the dispute related directly to the repair and equipping of the vessel.

The scope of Section 4(1)(m) also extends to resolving disputes involving warranty claims on new builds and reconstructions. Shipowners frequently rely on warranties provided by shipbuilders and repairers to guarantee the quality and durability of their work. When disputes arise due to alleged breaches of these warranties, the Admiralty Court's jurisdiction is invoked to assess the contractual obligations, and, if necessary, grant remedies, such as damages or specific performance.

When it comes to disputes over delay in the delivery of a vessel post-repair or construction, the court's jurisdiction under Section 4(1)(m) remains critical. Delays often lead to significant financial losses for shipowners, especially when they have already committed the vessel to charterers or other commercial ventures. In such cases, the court may adjudicate claims for damages due to late delivery, providing a vital remedy for shipowners.

Furthermore, the jurisdiction of the Admiralty Court under Section 4(1)(m) encompasses disputes involving not only the physical aspects of construction and repair but also financial agreements related to these activities. For example, if a dispute arises regarding payments to be made under a construction or repair contract, the Admiralty Court can resolve such matters, ensuring that contractors receive due compensation for their work.

Section 4(1)(m) of the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 grants the High Court wide-ranging jurisdiction over disputes involving the construction, reconstruction, repair, converting, or equipping of vessels. This section serves as a crucial legal mechanism for ensuring the proper performance of contracts that relate to the maritime industry's engineering and technical aspects. It empowers the court to adjudicate complex disputes involving shipbuilders, repairers, and shipowners, providing essential legal remedies to secure the maritime industry's smooth operation and the maintenance of vessels that serve as the backbone of international trade.