

# Harmony Innovation Shipping Pte Ltd v Caravel Shipping Inc [2019] 2 WLUK 370

Alexander Wright acted for the successful head owners in obtaining an interim mandatory injunction for payment of security in the sum of over US\$5m pursuant to a letter of indemnity on the International Group standard form.

In *Harmony Innovation Shipping Pte Ltd v Caravel Shipping Inc* [2019] 2 WLUK 370, Owners' vessel had been arrested by a cargo claimant on grounds of alleged misdelivery following the delivery of a coal cargo against a letter of indemnity in India, and charterers had refused to put up security on the basis that the cargo had not been delivered to the receiver named in the letter of indemnity. Sir Ross Cranston sitting as a Judge of the Commercial Court was persuaded that the injunction should be granted, on the basis that the Court could have a "high degree of assurance" that owners' case would succeed at trial, and confirmed that an injunction was appropriate as to do otherwise would undermine the purpose of the letters of indemnity.

This case highlights the importance and availability of urgent relief to owners seeking to enforce their rights under letters of indemnity against recalcitrant charterers who are not prepared to post security to ensure that arrested vessels are released promptly. It is a decision of considerable practical importance to owners in such situations, particularly as misdelivery claims following discharge against letters of indemnity do not fall within the scope of standard P&I cover, leaving many owners with the invidious proposition of having to put up cash-backed guarantees or having their vessel languish under arrest if they cannot obtain urgent relief against charterers.