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Major Maritime Casualties under India's Merchant Shipping Act, 2025: Liability, Response and Limitation

RACHAL THAPPA*

ABSTRACT

The Merchant Shipping Act, 2025 marks a significant transition in India's maritime legal framework by consolidating and restructuring the law governing maritime casualties in closer alignment with international conventions. This paper examines the liability, response obligations and limitation rights arising from a maritime casualty involving a collision between an oil tanker and a container vessel in Indian territorial waters. Adopting a doctrinal research methodology, it analyzes the statutory framework governing collision liability, oil and bunker pollution, salvage, general average, wreck removal and limitation of maritime claims. Particular attention is given to the interaction between the Act and the relevant international conventions, including the 1992 Civil Liability Convention, the 2001 Bunker Oil Pollution Convention, the 1989 Salvage Convention and the 1976 Convention on Limitation of Liability for Maritime Claims. The paper also evaluates the significance of the express provision on conduct barring limitation and the implications of maintaining separate liability regimes for different sources of marine pollution. It argues that, while the 2025 legislation strengthens the coherence of India's maritime liability framework, questions concerning limitation funds, overlapping liability regimes and the treatment of general average remain open to judicial interpretation. The paper concludes that effective implementation and consistent judicial interpretation will be essential to ensuring accountability, environmental protection and legal certainty in maritime casualty disputes.

Keywords: *Merchant Shipping Act, 2025, Maritime Casualty, Collision Liability, Marine Pollution, Salvage and Wreck Removal, Limitation of Liability*

I. INTRODUCTION

Maritime trade is a major channel of India's external commerce, and the law that governs what happens when a vessel collides, grounds, spills oil or sinks draws on domestic statute, delegated rules and a series of international conventions. For more than six decades that law was found

* Author is a Student at Symbiosis Law School, Pune, Maharashtra, India.

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principally in the Merchant Shipping Act, 1958, while cargo claims were governed by the Indian Carriage of Goods by Sea Act, 1925.[1] Both Acts have now been repealed.

The Carriage of Goods by Sea Act, 2025 ("COGSA 2025") repealed the 1925 Act and came into force on 10 September 2025.[2] The Merchant Shipping Act, 2025 ("MSA 2025"), a statute of 325 sections arranged in sixteen Parts, received the President's assent on 18 August 2025, came into force on 15 March 2026, and repealed the 1958 Act except Part XIV (other than section 411A), subject to the savings it contains.[3]

Rules, notifications and orders made under the repealed Act continue in force until revoked.[4] The change is nonetheless important for determining casualty liability. A casualty occurring today is governed by the 2025 enactments. Decisions rendered under the 1958 and 1925 Acts remain relevant, but only to the extent that the new text repeats the language those decisions construed.

The paper is confined to the liability, response and limitation questions arising from a major maritime casualty under the MSA 2025. Adopting a doctrinal method, it aims to identify the provisions of the MSA 2025, and of the conventions it implements, that govern the liability, response duties and limitation rights of shipowners, masters, salvors and other interested parties in five areas (collision; pollution; salvage and general average; wreck removal; and limitation of liability and limitation funds), to separate what has been carried forward from the 1958 Act from what is new, and to apply those provisions to the casualty described in Part II, before stating its findings and recommendations.

II. THE CASUALTY

A laden oil tanker and a container vessel collide in Indian territorial waters. Both vessels are damaged and seafarers on the container vessel are injured. Oil escapes from the tanker into the sea, and the container vessel grounds and becomes a potential hazard to navigation. The collision raises significant questions of maritime liability and navigational negligence, and the

[1] Merchant Shipping Act, No. 44 of 1958, INDIA CODE (1958) (repealed 2026) [hereinafter 1958 Act]; Indian Carriage of Goods by Sea Act, No. 26 of 1925, INDIA CODE (1925) (repealed 2025) [hereinafter 1925 Act].
[2] Carriage of Goods by Sea Act, No. 19 of 2025, INDIA CODE (2025), §§ 1(2), 12(1) [hereinafter COGSA 2025]; MINISTRY OF PORTS, SHIPPING AND WATERWAYS, Notification S.O. 4082(E) (Sept. 8, 2025) (appointing September 10, 2025 as the date on which the provisions of the Act came into force).
[3] Merchant Shipping Act, No. 24 of 2025, INDIA CODE (2025), §§ 1(2), 324(1) [hereinafter MSA 2025]; MINISTRY OF PORTS, SHIPPING AND WATERWAYS, Notification S.O. 1244(E) (Mar. 10, 2026) (appointing March 15, 2026 as the date on which the provisions of the Act came into force); DIR. GEN. OF MAR. ADMIN., Circular No. 55 of 2026 (Sept. 2, 2026) (recording that the Act came into force on March 15, 2026, repealing the 1958 Act).
[4] MSA 2025 § 324(2)(a).

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damage to both vessels calls for an investigation into its causes, including possible breaches of the International Regulations for Preventing Collisions at Sea, 1972 (COLREGs).

III. THE STATUTORY AND CONVENTION FRAMEWORK

This Part reviews the statutory provisions, conventions, case law and commentary that govern each of the five areas identified in Part I.

A. Collision

Chapter I of Part IX of the MSA 2025 is headed "Collision, Accident at Sea and Liability." Its sections deal in turn with the application of the Chapter (section 153), apportionment of liability (section 154), damage or loss of vessel, cargo or property (section 155), joint and several liability for loss of life or personal injury (section 156), the right of contribution (section 157), the master's duty to assist in case of collision (section 158), entry of the collision in the official logbook (section 159), the report to the Director-General of accidents to vessels (section 160), and notice of loss of an Indian vessel (section 161).[5]

The traditional law of collision rests on the Brussels Collision Convention of 1910.[6] Under that Convention, liability is proportionate to the degree of fault of each vessel, it is divided equally where the degrees of fault cannot be established, and the owners of the vessels at fault are jointly and severally liable for death or personal injury, with a right of contribution *inter se*.[7] The 1958 Act stated the first two rules in section 345, which apportioned liability "in proportion to the degree in which each ship was at fault" and divided it equally where the degrees could not be established.[8] Sections 154 and 155 of the MSA 2025 occupy the corresponding place in the new Act: section 154 states the rules of apportionment, including equal division where degrees of fault cannot be established, and section 155(1) repeats the language of the old section 345(1), with "vessel" in place of "ship." Sections 156 and 157 correspond to the Convention's rules on joint and several liability for personal injury and on contribution.[9]

The duty of assistance in section 158 reflects a rule long established in the law of the sea: the master of each vessel in a collision must, so far as he can do so without serious danger to his own vessel, crew or passengers, render assistance to the other vessel and her people.[10] Jurisdiction over collision claims lies in the High Courts. The Admiralty (Jurisdiction and

[5] MSA 2025 §§ 153–161.
[6] International Convention for the Unification of Certain Rules of Law with Respect to Collisions Between Vessels, Sept. 23, 1910, 212 Consol. T.S. 178 [hereinafter Collision Convention].
[7] Collision Convention art. 4.
[8] 1958 Act § 345(1) (repealed).
[9] MSA 2025 §§ 154(1)–(3), 155(1), 156(1), 157(1).
[10] Collision Convention art. 8; *see* MSA 2025 § 158(1).

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Settlement of Maritime Claims) Act, 2017 vests jurisdiction over maritime claims in the High Courts it designates, among them the High Courts of Calcutta, Bombay, Madras, Karnataka, Gujarat, Orissa and Kerala, exercisable up to and including territorial waters, and permits the arrest of a vessel *in rem* to secure a maritime claim.[11] The Supreme Court had earlier recognized the admiralty jurisdiction of the High Courts, including the power to arrest a foreign vessel, as part of their jurisdiction as superior courts of record.[12]

B. Pollution

Pollution liability is the subject of two separate chapters of Part IX. Chapter III (sections 175 to 195) addresses civil liability for oil pollution damage and Chapter IV (sections 196 to 210) addresses civil liability for bunker oil pollution damage.[13] The division reflects the division between two conventions.

i. Persistent oil from tankers

Chapter III implements the International Convention on Civil Liability for Oil Pollution Damage, 1992 ("CLC 1992"), which the MSA 2025 defines by reference to that instrument.[14] Its operative section on the shipowner's liability is section 177, and it is followed by provisions on joint and several liability where more than one ship is involved (section 178), jurisdiction of the High Court (section 179), limitation (section 181), constitution of a limitation fund (section 182) and compulsory insurance (section 188).[15] The content of these provisions is that of the Convention.

The registered owner of a ship constructed or adapted to carry oil in bulk as cargo is strictly liable for pollution damage caused by the escape or discharge of persistent oil from the ship, which expressly includes bunker oil carried on such a ship.[16] The owner is exempted only if the damage resulted from an act of war, hostilities, civil war, insurrection or a natural phenomenon of an exceptional, inevitable and irresistible character, was wholly caused by an act or omission of a third party done with intent to cause damage, or was wholly caused by the negligence or

[11] Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, No. 22 of 2017, INDIA CODE (2017), §§ 2(1)(e), 3–5 [hereinafter Admiralty Act].
[12] *M.V. Elisabeth v. Harwan Inv. & Trading Pvt. Ltd.*, 1993 Supp (2) SCC 433 (1992) (India).
[13] MSA 2025 §§ 175–210.
[14] *Id.* § 3(11) (defining the Civil Liability Convention as the International Convention on Civil Liability for Oil Pollution Damage, 1992).
[15] *Id.* §§ 177–179, 181–182, 188.
[16] Protocol of 1992 to Amend the International Convention on Civil Liability for Oil Pollution Damage, 1969, Nov. 27, 1992, 1956 U.N.T.S. 255 [hereinafter CLC 1992], arts. I(1), I(5), III(1). Article I(5) defines "oil" to include persistent hydrocarbon mineral oil "whether carried on board a ship as cargo or in the bunkers of such a ship." *See also* MSA 2025 §§ 176(b), (f), 177(1).

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other wrongful act of a government or other authority responsible for the maintenance of lights or other navigational aids.[17]

Claims may not be brought against the owner's servants or agents, the pilot, the charterer, a salvor or others identified in the Convention, unless the damage resulted from their personal act or omission, committed with intent to cause such damage or recklessly and with knowledge that such damage would probably result.[18] The owner of a ship carrying more than 2,000 tons of oil in bulk as cargo must maintain insurance or other financial security, and claimants may proceed directly against the insurer.[19] Rights of compensation are extinguished unless an action is brought within three years from the date on which the damage occurred, and in any event within six years from the date of the incident.[20]

ii. Bunker oil from other ships

Chapter IV implements the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, which covers pollution damage from the bunkers of ships other than pollution damage within the scope of the CLC.[21] Its provisions include liability for bunker oil pollution (section 198), exemption from liability (section 199), the shipowner's right to limit (section 200) and compulsory insurance (section 204).[22] Under the Convention, and under section 197(f) of the Act, "shipowner" extends beyond the registered owner to the bareboat charterer, manager and operator, and liability is strict, subject to defenses parallel to those in the CLC.[23] The 1958 Act dealt with oil pollution from tankers through Part X-B (civil liability for oil pollution damage) and Part X-C (the International Oil Pollution Compensation Fund). The MSA 2025 retains a dedicated chapter on the Fund (Chapter V, section 211 onwards).[24]

C. Salvage and general average

Salvage is governed by Chapter II of Part XII of the MSA 2025 (sections 247 to 259). The Chapter deals with salvage payable for saving life, cargo or wreck (section 249), salvage contracts (section 251), the duties of salvor, owner and master (section 252), the rights of salvors (section 253), the powers and duties of the Central Government in relation to salvage operations (section 254), disputes between shipowner and salvor (sections 256 and 257) and

[17] CLC 1992 art. III(2); MSA 2025 § 177(2).
[18] CLC 1992 art. III(4); MSA 2025 § 177(5).
[19] CLC 1992 art. VII(1), (8); MSA 2025 §§ 188(1), 191(1).
[20] CLC 1992 art. VIII; MSA 2025 § 193(1).
[21] International Convention on Civil Liability for Bunker Oil Pollution Damage, Mar. 23, 2001, IMO Doc. LEG/CONF.12/19 [hereinafter Bunkers Convention], arts. 1, 3, 4(1).
[22] MSA 2025 §§ 198–200, 204.
[23] Bunkers Convention arts. 1(3), 3; MSA 2025 §§ 197(f), 199(1).
[24] 1958 Act pts. X-B, X-C (repealed); MSA 2025 §§ 211 et seq. (Chapter V, "International Oil Pollution Compensation Fund").

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extinguishment of claims (section 258).[25] Under sections 256 and 257, the Director-General first assists the shipowner and the salvor towards an amicable settlement; a dispute that is not so resolved goes to arbitration, subject to a proviso that, where the salvage contract does not provide for arbitration, the dispute is adjudicated in accordance with the contract; an appeal from an arbitral award lies to the High Court, which also decides disputes involving more than one claimant to the salvage amount and may order interim payment to the salvor.[26] One commentary reads section 257 as giving the High Court jurisdiction wherever there is no arbitration agreement,[27] although the proviso itself refers such a dispute to the terms of the contract.

The Chapter follows the International Convention on Salvage, 1989.[28] The central principles of that Convention are that salvage operations which have had a useful result give a right to a reward; that the reward is fixed with a view to encouraging salvage operations, by reference to criteria that include the value of the property saved, the skill and efforts of the salvors in preventing or minimizing damage to the environment, the measure of success obtained, the nature and degree of the danger, and the risk of liability and other risks run by the salvors; and that salvors of life are not entitled to payment from the persons whose lives are saved but are entitled to a fair share of the payment awarded to the salvor of the vessel or other property.[29]

The Convention also provides "special compensation" for a salvor who has carried out operations in respect of a vessel which by itself or its cargo threatened damage to the environment and who has failed to earn a reward at least equal to the special compensation.[30] This is a qualification of the traditional "no cure, no pay" principle rather than its abandonment. Part XII has no provision on general average, and the Act mentions general average only to exclude claims for contribution in general average from limitation of liability.[31] General average remains a doctrine of maritime law under which an extraordinary sacrifice or expenditure, voluntarily and reasonably made or incurred in time of peril to preserve the property imperilled in a common maritime adventure, is shared rateably among the interests that benefit.[32] In practice the adjustment of general average contributions is governed by the York-Antwerp

[25] MSA 2025 §§ 247–259.
[26] *Id.* §§ 256, 257(1)–(4).
[27] Disha Nanda & Tanya Mittal, *Dispute Resolution Mechanism Under the Merchant Shipping Act, 2025*, LEGAL 500 (June 12, 2026), https://www.legal500.com/intelligence/india/transport/dispute-resolution-mechanism-under-the-merchant-shipping-act-2025.
[28] International Convention on Salvage, Apr. 28, 1989, 1953 U.N.T.S. 165 [hereinafter Salvage Convention]; *see* MSA 2025 §§ 248(b), 253(2).
[29] Salvage Convention arts. 12(1), 13(1), 16(1)–(2).
[30] Salvage Convention art. 14.
[31] MSA 2025 § 162(3)(a).
[32] Marine Insurance Act, No. 11 of 1963, INDIA CODE (1963), § 66(1)–(3).

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Rules, which are incorporated by contract and not by statute. The Marine Insurance Act, 1963 governs the insurer's liability to indemnify an assured for a general average loss or contribution.[33]

D. Wreck removal

Chapter I of Part XII (sections 233 to 246) deals with wrecks. Its provisions include the duty to report wrecks (section 236), determination of hazard (section 237), locating and marking of wrecks (section 238), measures to facilitate removal of wrecks (section 242), liability of the shipowner (section 243), maintenance of insurance or other financial security (section 244), and extinguishment of the right to claim recovery of costs (section 246). Receivers of wreck are appointed under section 235.[34] The Chapter defines "Convention," for its purposes, as the Nairobi Convention on the Removal of Wrecks, 2007, from which it is derived.[35]

The Nairobi Convention places on the registered owner the liability for the costs of locating, marking and removing a wreck that the affected State has determined to be a hazard, subject to limited exceptions, and requires compulsory insurance for ships of 300 gross tonnage and above.[36] The Indian Chapter's structure (a determination of hazard, an owner's liability, an insurance requirement and a time limit on recovery of costs) tracks these elements.

E. Limitation of liability

Part X-A of the 1958 Act, as recast by the Merchant Shipping (Amendment) Act, 2002, gave effect to the Convention on Limitation of Liability for Maritime Claims, 1976 ("LLMC 1976") with significant modifications.[37] The Bombay High Court has treated the higher limits of the 1996 Protocol as having entered into force in India on 21 June 2011.[38] In *MS Nordlake GmbH v. Union of India*, the same court held that, because Parliament had consciously omitted the Convention's provision on conduct barring limitation when it amended Part X-A in 2002, a shipowner's right to limit was absolute and did not depend on fault, so that Article 4 of the Convention could not be read into Indian law.[39] The same view had been taken in the court's

[33] *Id.* § 66(4)–(5).
[34] MSA 2025 §§ 233–246.
[35] *Id.* § 234(b); *see also* Nanda & Mittal, *supra* note 27.
[36] Nairobi International Convention on the Removal of Wrecks, May 18, 2007, IMO Doc. LEG/CONF.16/19, arts. 10, 12; *see* MSA 2025 §§ 237, 243(1), 244(1), 246.
[37] 1958 Act pt. X-A (repealed), as amended by the Merchant Shipping (Amendment) Act, No. 63 of 2002; Zarir Bharucha, *Limitation of Liability in India*, MONDAQ (Sept. 1, 2020), https://www.mondaq.com/india/corporate-and-company-law/980836/limitation-of-liability-in-india; Convention on Limitation of Liability for Maritime Claims, Nov. 19, 1976, 1456 U.N.T.S. 221 [hereinafter LLMC 1976].
[38] *MS Nordlake GmbH v. Union of India*, Notice of Motion No. 41 of 2017 in Commercial Admiralty Suit No. 14 of 2014, 2023:BHC-OS:1302, 2023 LiveLaw (Bom) 112, ¶¶ 62, 67 (Bombay H.C. Feb. 17, 2023) (India).
[39] *Nordlake*, *supra* note 38, ¶¶ 37–42. The Union of India's appeal against this judgment, Commercial Appeal (L) No. 17109 of 2023, remained pending before a Division Bench of the Bombay High Court as of April 30, 2026.

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earlier decision concerning the *Yuriy Arshenevskiy*, which also held that a shipowner could seek to limit its liability, and constitute a fund, before claimants had brought proceedings against it in that court.[40]

Chapter II of Part IX of the MSA 2025 (sections 162 to 174) is headed "Limitation of Liability for Maritime Claims" and follows the structure of LLMC 1976: limitation of liability in respect of certain claims (section 162), conduct barring limitation (section 163), counterclaims (section 164), limits of liability (section 165), limit for passenger claims (section 166), aggregation of claims (section 167), constitution of a limitation fund (section 168), limitation without constitution of a fund (section 169), distribution of the fund (section 170), bar to other actions (section 171) and compulsory insurance (section 172).[41] The Act defines the Convention as that signed in London on 19 November 1976.[42]

The presence of section 163 is the most significant departure from the Part X-A regime. Article 4 of LLMC 1976 provides that a person liable is not entitled to limit liability if it is proved that the loss resulted from his personal act or omission, committed with the intent to cause such loss, or recklessly and with knowledge that such loss would probably result.[43] That standard is deliberately demanding.[44] The *Nordlake* reasoning, which depended on the absence of any equivalent provision in Part X-A, cannot be applied unaltered to a statute that now carries a section headed "Conduct barring limitation."

Three further features of the Convention scheme should be noted. First, limitation extends to shipowners (including charterers, managers and operators), salvors and liability insurers.[45] Second, certain claims are excluded from limitation, including claims for salvage or contribution in general average and claims for oil pollution damage within the CLC.[46] Third, the limits themselves are expressed in Special Drawing Rights by reference to ship tonnage, with separate and higher limits for claims for loss of life or personal injury than for other claims, and the amounts were raised by amendments that entered into force on 8 June 2015.[47]

Union of India v. MS Nordlake GmbH, Commercial Appeal (L) No. 17109 of 2023 (Bombay H.C. Apr. 30, 2026) (order) (India).

[40] *Murmansk Shipping Co. v. Adani Power Rajasthan Ltd. (The Yuriy Arshenevskiy)*, Admiralty Suit No. 43 of 2012, [2016] Lloyd's Rep. Plus 50, 2016 SCC OnLine Bom 167 (Bombay H.C. Jan. 8, 2016) (India); *see Nordlake*, *supra* note 38, ¶¶ 35–36; Bharucha, *supra* note 37.

[41] MSA 2025 §§ 162–172.

[42] *Id.* § 3(25).

[43] LLMC 1976 art. 4; *cf.* MSA 2025 § 163.

[44] *Nordlake*, *supra* note 38, ¶ 30 (describing the onus as "almost impossible").

[45] LLMC 1976 art. 1(1)–(3), (6); MSA 2025 § 162(1), Explanation 2(b).

[46] LLMC 1976 art. 3(a)–(b); MSA 2025 § 162(3)(a)–(b).

[47] INT'L MAR. ORG., *Convention on Limitation of Liability for Maritime Claims (LLMC)*, https://www.imo.org/en/about/conventions/pages/convention-on-limitation-of-liability-for-maritime-claims-(llmc).aspx (reporting the limits under the 1996 Protocol and the 2012 amendments, which were adopted on April 19, 2012 and entered into

F. The limitation fund

The procedure for invoking limitation is set out in sections 168 to 171 of the MSA 2025. Under LLMC 1976, a fund is constituted with the court or other competent authority by depositing the sum, or producing a guarantee acceptable to the court, equal to the applicable limit together with interest from the date of the occurrence giving rise to the liability, and the fund is distributed among claimants in proportion to their established claims.[48]

Once a fund has been constituted and is available, persons who have made a claim against it may not exercise any right in respect of that claim against other assets of the person by whom the fund was constituted, and ships or other property belonging to that person that have been arrested may be released.[49]

Section 169 of the MSA 2025, headed "Limitation of liability without constitution of a limitation fund," corresponds to Article 10 of the Convention, which allows limitation to be invoked without a fund.[50] Under the 1958 Act, section 352C(1) allowed a fund to be set up where "legal proceedings are instituted"; in the *Yuriy Arshenevskiy* the Bombay High Court held that neither that provision, which broadly echoed Article 11 of the Convention, nor the Convention itself made prior proceedings in that court a pre-condition, and allowed the shipowner to constitute a fund before the claimants had sued there.[51] Section 168(1) of the MSA 2025 now permits a fund to be constituted with the Central Government or with the High Court in which legal proceedings "are instituted or expected to be instituted"; whether the earlier approach survives under those words, and how it sits with limitation without a fund under section 169, will be a question for the courts.[52]

IV. FINDINGS

This Part applies the law reviewed in Part III to the casualty described in Part II, taking each of the five areas in turn, and then states the overall findings.

A. Collision

Suppose the tanker is found to be 60 percent at fault and the container vessel 40 percent. Liability for damage to the vessels and cargo would be apportioned in those proportions under

force on June 8, 2015); *see* LLMC 1976 art. 6(1).

[48] LLMC 1976 arts. 11–12; *see* MSA 2025 §§ 168(2)–(3), 170(1).

[49] LLMC 1976 art. 13(1)–(2); MSA 2025 § 171(1)–(2).

[50] MSA 2025 § 169; LLMC 1976 art. 10.

[51] 1958 Act § 352C(1) (repealed); *Yuriy Arshenevskiy*, *supra* note 40, ¶¶ 17, 20, 25; Bharucha, *supra* note 37. *But cf. m.v. Eleni (IMO No. 9460277) v. Hanwha Gen. Ins. Co.*, 2015 SCC OnLine Bom 22, ¶ 34 (Bombay H.C. 2015) (India) (observing that limitation could be invoked only once legal proceedings had been instituted, as section 352C(1) provided), *quoted in Nordlake*, *supra* note 38, ¶ 68.

[52] MSA 2025 §§ 168(1), 169.

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sections 154 and 155, and the owners would have rights of contribution under section 157. For the injuries to the seafarers, the owners would be jointly and severally liable under section 156 irrespective of the division of fault, with rights of contribution between them according to their degrees of fault.[53] Both masters would be under the duty of assistance in section 158, both would be required to enter the collision in the official logbook (section 159), and the accident would be reportable to the Director-General under section 160. Proceedings could be brought *in rem* in the competent High Court under the Admiralty Act.[54]

B. Pollution

The facts require the two pollution regimes to be applied separately. Oil escaping from the tanker, whether cargo or bunkers, is persistent oil from a ship carrying oil in bulk as cargo, and the tanker's registered owner would be strictly liable under Chapter III and the CLC 1992 for clean-up costs, the costs of preventive measures and economic loss such as losses to fishing and tourism, unless one of the three narrow defenses were proved.[55] Oil escaping from the container vessel's own bunkers falls outside the CLC and into Chapter IV and the Bunkers Convention, under which the "shipowner," which includes the registered owner, bareboat charterer, manager and operator, is liable.[56] Because claims under Chapter III are channeled to the owner, a claimant could not pursue a salvor engaged in response operations with the owner's consent or on the instructions of a competent public authority unless the Convention's exception for intentional or reckless conduct applied.[57]

C. Salvage and general average

If a salvor were engaged to refloat the grounded vessel, its entitlement would be assessed under Chapter II of Part XII, whose criteria for rewards and special compensation section 253(2) leaves to rules, taking into account the danger, the value of the property saved and the salvor's efforts to minimize environmental damage; if the operation failed to produce a reward, special compensation might be claimed under the Salvage Convention's regime.[58] If cargo were jettisoned for the common safety, the sacrifice would be adjusted as general average in accordance with the York-Antwerp Rules incorporated in the contract of carriage.

[53] MSA 2025 §§ 154–157.
[54] Admiralty Act §§ 3, 5.
[55] CLC 1992 arts. I(5), III(1)–(2); MSA 2025 § 177(1)–(2).
[56] Bunkers Convention arts. 1(3), 3; MSA 2025 §§ 196, 197(f), 198–199.
[57] CLC 1992 art. III(4); MSA 2025 § 177(5)(d).
[58] Salvage Convention arts. 13–14; MSA 2025 §§ 249, 253.

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D. Wreck removal

If the grounded vessel became a hazard, a determination of hazard under section 237 would engage the owner's liability under section 243 for locating, marking and removing the wreck, and the owner would be required to hold insurance under section 244.[59]

E. Limitation of liability

Faced with overlapping claims for property damage, personal injury and wreck removal, the owners could seek to limit liability under Chapter II of Part IX, either by constituting a fund under section 168 or by invoking limitation without a fund under section 169.[60] Limitation would not apply to the tanker owner's liability for CLC pollution damage, which has its own limits, or to salvage claims.[61] Claimants could resist limitation only by establishing the conduct described in section 163. That is a heavy burden. Unlike the position stated in *Nordlake*, however, it is now an available argument, and it may well be pleaded in the first serious casualty claim under the new Act.

F. Overall findings

The MSA 2025 gathers into a single statute the Indian provisions on collision, limitation, oil and bunker pollution, wreck removal and salvage, and aligns them more closely with the international conventions than the 1958 Act did. The most visible changes are the dedicated chapters on bunker oil pollution and wreck removal and the introduction of an express provision on conduct barring limitation.

G. Unresolved questions

Questions remain. The coexistence of Chapter III and Chapter IV means that a casualty involving two ships can attract two different liability regimes, two insurance requirements and two sets of limitation rules. The reach of the words "expected to be instituted" in section 168(1), and the treatment of limitation without a fund under section 169, will need to be settled against the Bombay High Court's earlier approach. And for general average, the Act leaves the matter to contract and general maritime law. These are matters for the High Courts exercising admiralty jurisdiction, and for the delegated legislation that the Act contemplates.

[59] MSA 2025 §§ 237, 243–244.
[60] MSA 2025 §§ 162(1)(a), (d), 168–169, 243(2)(a).
[61] LLMC 1976 art. 3(a)–(b); CLC 1992 art. V; MSA 2025 §§ 162(3)(a)–(b), 181.

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V. RECOMMENDATIONS

First, the High Courts exercising admiralty jurisdiction, when first called upon to construe sections 168 and 169, should state clearly whether the earlier approach of the Bombay High Court, under which a shipowner could constitute a fund before claimants had brought proceedings in that court, survives under the words "expected to be instituted" in section 168(1), and how it is to be reconciled with limitation without a fund under section 169.

Second, the delegated legislation that the Act contemplates should address the coexistence of Chapter III and Chapter IV, so that owners, insurers and claimants know in advance how the two liability regimes, the two insurance requirements and the two sets of limitation rules operate where two ships are involved in one casualty.

Third, because the Act leaves general average to contract and general maritime law, parties to contracts of carriage should expressly incorporate the York-Antwerp Rules, since the adjustment of general average contributions rests on that incorporation and not on statute.

Fourth, shipowners and their insurers should not assume that the right to limit is absolute. The reasoning in *Nordlake* cannot be relied on to resist an argument under section 163, and claimants should expect that argument to be pleaded in serious casualty claims under the new Act.

VI. CONCLUSION

The MSA 2025 consolidates the Indian law on maritime casualties and brings it into closer alignment with the international conventions, while leaving open questions on limitation funds, overlapping liability regimes and general average. How far the new framework delivers in practice will depend on how the High Courts read sections 163, 168 and 169 when the first serious casualty under the Act comes before them.

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