
STRENGTHENING LEGAL FRAMEWORK FOR LIABILITY AND INSURANCE FOR MARITIME ACCIDENTS

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ABSTRACT

Frequent recurrence of maritime accidents in India posts a significant question of liability and insurance in maritime law. Considering the rapid growth in maritime trade and reported events of collisions, oil spills and cargo losses give rise to the pressing need of an adequate legal and institutional framework considering maritime insurance and liability. This paper revolves around the effectiveness of mechanisms in India for maritime claim settlements, compensation and enforcement, with specific focus on Maritime Insurance Act, 1963, the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 and the Merchant Shipping Act, 2025. These statutes shape the contours of maritime liability and insurance in Indian context. The paper also focuses challenges that falls under maritime law perspective such as environmental damage and cross-border disputes which act as a barrier in allocation of liability and adequacy of insurance coverage. In order to attain a broader idea of India's position, a comparative analysis with key international conventions such as Civil Liability Convention (CLC), the Oil Bunker Pollution Convention and the Convention on Limitation of Liability for Maritime Claims (LLMC) is also addressed in this research. This comparative study will help to analyse the areas of improvement for maritime law in India to improvise itself in the global front. These findings further equipped the research to propose effective recommendations and reforms to strengthen India's maritime liability and insurance regime. By opting a method of doctrinal analysis with practical implications, this research paper can be considered to be insightful and relevant to the stakeholders in the matter.

Keywords: Maritime liability, Marine Insurance, Shipping accidents, Collision, International Convention, India

1. Introduction

Maritime transport is basically the lifeline to the global economy, carrying around 90 per cent of world trade.¹ However, the rapid growth in maritime transport has also been accompanied with recurring maritime accidents. Incidents such as the Exxon Valdez oil spill (1989),² the MV Erika disaster (1999),³ and the Costa Concordia accident (2012),⁴ are reminders of the vast environmental and economic consequences of maritime accidents.⁵

The past two years witnessed a steady increase in number of accidents⁶ in the Indian maritime jurisdiction, reflecting a higher degree of navigational risks owing to the higher traffic density along its routes.⁷ The 2010, MSC Chitra-Khalijia collision near Mumbai happened to be one of the largest maritime accidents that raised serious concerns about maritime safety, liability and insurance.⁸ The Directorate General of Shipping (DGS) in the *Marine Safety Investigation Report 2024*, has reported a 21.6 percent increase in maritime incidents. From 153 incidents in 2023 to a total of 186 incidents in 2024 concerning Indian seafarers, Indian-flagged vessels, and foreign-flagged vessels operating in Indian waters.⁹ The marine casualties or cases involving serious injury or death also rose from 74 to 78 during this same period. The cases of collision have doubled, from 5 in 2023 to 10 in 2024, resulting in 3 deaths while, in terms of sinking, this became a first with 3 cases and 4 deaths against zero last year.¹⁰ Occupational incidents relating to onboard injury and accidents not caused by external factors marine processes were the most numerous, with 47 cases reported leading to 7 deaths in 2024.¹¹ Cases unrelated to the operational side, such as sickness of the crew and man-overboard cases,

¹ UNCTAD, *Review of Maritime Transport 2023* (United Nations 2023) 1.

² National Oceanic and Atmospheric Administration, 'Exxon Valdez Oil Spill' <https://darrp.noaa.gov/oil-spills/exxon-valdez>

³ Centre of Documentation, Research and Experimentation on Accidental Water Pollution (CEDRE), 'Erika' <https://www.cedre.fr/en/Resources/Spills/Spills/Erika>

⁴ Encyclopaedia Britannica, 'Costa Concordia Disaster' <https://www.britannica.com/event/Costa-Concordia-disaster> accessed 30 September 2025.

⁵ Alan Khee-Jin Tan, *Vessel-Source Marine Pollution: The Law and Politics of International Regulation* (CUP 2006) 45–50.

⁶ United Nations, European Union & International Transport Forum at the OECD, *Terminology on Disaster Risk Reduction* (2019) <https://www.undrr.org/understanding-disaster-risk/terminology/hips/tl0403>

⁷ Directorate General of Shipping, 'Marine Safety Investigation Report 2024' (2025) <https://www.iims.org.uk/india-dgs-marine-safety-investigation-report-2024-published/>.

⁸ *MSC Chitra v Khalijia 3* (2010) Collision Incident, Mumbai Port (Bombay High Court, 2011 orders).

⁹ Ibid.

¹⁰ Directorate General of Shipping, *Marine Safety Investigation Report 2024* (July 2025) <https://www.iims.org.uk/india-dgs-marine-safety-investigation-report-2024-published/>

¹¹ Business Standard, 'Maritime incidents involving India and its seafarers rose 22% in 2024' (14 July 2025) https://www.business-standard.com/economy/news/maritime-incidents-involving-india-and-its-seafarers-rose-22-in-2024-125071501437_1.html.

jumped from 79 in 2023 to 108 in 2024, up 36.7%, highlighting rising risk factors outside of navigational errors.¹² These alarming figures echo global maritime risk trends and present the urgent need to institute enhanced maritime safety standards, enforce them with strict legislation, and create a workable liability and insurance regime for compensation in the event of accidents.¹³

Since maritime hazards have now become a fact of life, some liability and compensation conventions were developed by the international community.¹⁴ Among others, instruments such as the 1969 International Convention on Civil Liability for Oil Pollution Damage, the 2001 International Convention on Civil Liability for Bunker Oil Pollution Damage, and the 1976 Limitation of Liability for Maritime Claims set up a structure for liability and limitation of claims.¹⁵ While many maritime nations validate domestic regimes along with these conventions, including the U.K. and Japan, India has ratified only a few of these conventions and continues to have a legal regime largely based on the Marine Insurance Act 1963 and the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017.¹⁶ This raises concerns about whether India is ready to handle transnational litigation while ensuring adequate payments as per international standards.

The study approaches the sphere of maritime liability and insurance in India with a focus on the claims, compensations, and enforcement mechanisms. The research tries to appraise the efficiency of the claim settlement system and gives a view of arising issues, along with legal and institutional reforms to bring the Indian regime at par with international standards.

¹²IndoSearch, 'Analysis of Marine Casualties in India: 2024 Maritime Safety Report Review' (16 July 2025) <https://www.indosearch.in/learn/analysis-of-marine-casualties-in-india-2024-maritime-safety-report-review/>.

¹³International Maritime Organization, *International Convention on Civil Liability for Oil Pollution Damage (CLC)*, 1969 (entered into force 19 June 1975), 973 UNTS 3; Bunker Oil Pollution Convention, 2001 (entered into force 21 November 2008); see also Edgar Gold, Aldo Chircop and Hugh Kindred, *Maritime Law* (2nd edn, Irwin Law 2003) 409–15.

¹⁴ International Maritime Organization, *International Convention on Civil Liability for Oil Pollution Damage (CLC)*, 1969 (entered into force 19 June 1975), 973 UNTS 3; *International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (Fund Convention)*, 1971 (entered into force 16 October 1978), 1110 UNTS 57; *International Convention on Civil Liability for Bunker Oil Pollution Damage (Bunker Convention)*, 2001 (entered into force 21 November 2008).

¹⁵ International Convention on Civil Liability for Oil Pollution Damage (adopted 29 November 1969, entered into force 19 June 1975) 973 UNTS 3; International Convention on Civil Liability for Bunker Oil Pollution Damage (adopted 23 March 2001, entered into force 21 November 2008) 40 ILM 1493; Convention on Limitation of Liability for Maritime Claims (adopted 19 November 1976, entered into force 1 December 1986) 1456 UNTS 221.

¹⁶ Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017, No 22 of 2017; Marine Insurance Act 1963, No 11 of 1963; R Rajesh Babu, 'Admiralty Jurisdiction and Maritime Claims in India: Emerging Trends' (2018) 60 *Journal of the Indian Law Institute* 145, 149

Comparative analysis with important global conventions would hopefully offer a perspective on India's position in the maritime framework.

2. Liabilities in Maritime Accidents

The allocation of liability in admiralty law governs the matter of compensating victims and apportioning risks between shipowners, insurers, and members of the maritime community at large. Liability regimes had their origin in fault; however, with the expansion of maritime trade and the corresponding increase in incidence of accidents involving oil pollution, hazardous cargo, and large-scale collisions, stricter liability rules came into existence to outbid the evidentiary problems with proving negligence.¹⁷

2.1. Type of Liability - Fault based and Strict

Early maritime liability systems were founded upon negligence.¹⁸ The courts required a claimant to prove the fault and the causation before damages could be awarded.¹⁹ For instance, in *Paradigm Enterrepots v. M.V. Won Fu*,²⁰ The Bombay High Court held that negligence for a collision in navigation had to be strictly proved, thereby striking at the root of evidentiary requirements in a fault-based regime.²¹ Similarly in English law, the Court of Appeal in *The Oropesa* considered the complexities of causation where a collision gave rise to secondary accidents, exemplifying the fact-sensitive nature of some fault-based claims.²²

The shift towards strict liability emerged in recognition of these shortcomings. The approach is particularly significant in oil pollution cases. In the United States, the *Exxon Valdez* litigation exemplified the operation of strict liability under the Oil Pollution Act 1990, where the shipowner was held liable without proof of negligence.²³ In the Indian context, while maritime statutes do not codify strict liability in the same expansive manner, the Supreme Court in *MC Mehta v Union of India (Oleum Gas Leak)* articulated the doctrine of strict liability in environmental law.²⁴

¹⁷ Susan Hodges, *Law of Marine Insurance* (2nd edn, Routledge 2013) 112.

¹⁸ *The Asiatic Steam Navigation Co. Ltd. v. Sub-Lt. Arabinda Chakravarti* (1959) Supp 1 SCR 979.

¹⁹ *Ibid.*

²⁰ *Epoch Enterrepots v M/V Won Fu* 2002 (1) Bom CR 696 (Bom HC).

²¹ *Ibid.*

²² *The Oropesa* [1943] 1 All ER 211 (CA).

²³ *In re Exxon Valdez* 270 F Supp 2d 1046 (D Alaska 2003).

²⁴ *MC Mehta v Union of India* (1987) 1 SCC 395.

The doctrine of absolute liability in India was developed as an extension of strict liability, thus barring any statutory defences against enterprises engaged in inherently hazardous activities. The Supreme Court seems to have gone beyond the limits of traditional English Law in the *Oleum Gas Leak case*, holding that there should have been no exceptions excusing liability for damages caused by hazardous operations.²⁵ Although absolute liability is not in international conventions of maritime law, the mechanisms of the International Oil Pollution Compensation Fund (IOPC) are similar to a no-fault system, ensuring compensation to victims without requiring proof of negligence.²⁶

Strict liability theories offer more security but still allow for certain limited defences. India has, however, articulated absolute liability, which is perhaps the most victim-centric in theory, but is judicial rather than legislative on sea matters. There is an order of business limitation of liability in the context of sea trade; commercial certainty is favoured under this system.²⁷ If this state of limitation is not balanced in some form, such as through compulsory insurance, a serious threat of inadequate compensation arises for victims. The whole maritime liability landscape thus reflects the dichotomy of how to balance the promotion of foreign trade with the need to compensate persons affected by marine accidents.

2.2. Evolving Case Laws in Maritime Liability and Insurance in India

India's maritime liability and insurance regime has been shaped by key judicial precedents over time. In *Chrisomar Corporation v MJR Steels Pvt Ltd*, the Supreme Court pondered over the applicability of the principle of limitation in cases of cargo claims and noted India's somewhat cautious stance in harmonizing domestic law with international conventions.²⁸ For instance, the principle of "limitation of liability" is one of the internationally recognized right of shipowners which empowers them to limit their liability for a defined amount, normally calculated on the basis of tonnage. It is one of the important distinguishing features of maritime law. Basically, this means that while damages under the limitation amount calculated on the

²⁵ *ibid.*

²⁶ International Maritime Organization, *International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (Fund Convention)*, 1971 (entered into force 16 October 1978), 1110 UNTS 57, as amended by the 1992 Protocol; see also Edgar Gold, Aldo Chircop and Hugh Kindred, *Maritime Law* (2nd edn, Irwin Law 2003) 409–15.

²⁷ International Maritime Organization, *Convention on Limitation of Liability for Maritime Claims (LLMC)*, 1976 (entered into force 1 December 1986), 1456 UNTS 221, as amended by the 1996 Protocol.

²⁸ *Chrisomar Corporation v MJR Steels Pvt Ltd* (2018) 16 SCC 117.

basis of tonnage are available to those affected, these are insufficient to encourage private investment in shipping.²⁹

The adherence to internationally recognized principles was further highlighted in the landmark case *MV Nordlake v. Union of India*,³⁰ decided by a bench of the Bombay High Court. The court held that the shipowner has an absolute right to limit liability under the Merchant Shipping Act, 1958, as introduced by Part XA and in consonance with the Convention on Limitation of Liability for Maritime Claims (LLMC), 1976.³¹ This ruling meant that the right to limit liability is absolute after the amendment of 2002 to the Act and that the shipowners will not stand exposed to unlimited claims for damages in the absence of sound commercial reasoning. The case stemmed from a high-profile collision between the MV Nordlake and Indian Naval Ship Vindhyagiri, Mumbai Port, where it was established widely that judicial interpretation must give primacy to the legislative intent and international conventions.³²

This is further elucidated by the recent judgment of the Supreme Court in the case *Sohom Shipping Pvt. Ltd. v. The New India Assurance Co. Ltd.*, which provides a bitter education in insurance claims disputes in cases of maritime accidents.³³ The Court came to hold that the rejection by the insurer of a claim was based on an "impossible clause"-a clause setting up a monsoon-related voyage condition impossible to comply with from the very timing of the policy.³⁴ It develops the procedural fairness necessary for advancing the liability and insurance structure and underlines that insurers cannot claim to be discharged on account of conditions that are impossible to comply with.³⁵

Conversely, in *Hind Offshore Pvt. Ltd. v. IFFCO General Insurance Company Ltd. (2024)*, the Supreme Court demonstrated how strict these disclosures relating to seaworthiness are to be made.³⁶ The Court further laid down that marine insurers were not liable in respect of losses due to the ship being sent to sea in an unseaworthy state, particularly in instances where the

²⁹ Convention on Limitation of Liability for Maritime Claims (adopted 19 November 1976, entered into force 1 December 1986) 1456 UNTS 221.

³⁰ *M/s MV Nordlake GmbH v. Union of India* Comm. Admiralty Suit No.14 of 2014, Bombay High Court, 17 February 2023; Convention on Limitation of Liability for Maritime Claims (LLMC) 1976, 1456 UNTS 221.

³¹ *Ibid.*

³² *Ibid.*

³³ *Sohom Shipping Pvt. Ltd. v. The New India Assurance Co. Ltd. & Anr.* C.A. NO. 2323 of 2021; 2025 LiveLaw (SC) 403, Supreme Court of India, 7 April 2025

³⁴ *Ibid.*

³⁵ *Ibid.*

³⁶ *Hind Offshore Pvt. Ltd. v. IFFCO General Insurance Co. Ltd.* Supreme Court judgment, 2024; see also Indian Fatal Accidents Act 1855 interpretations.

insurer had knowledge of such conditions.³⁷ The judgment also reiterates that transparency and due diligence in the insurance processes remain the foremost consideration to ensure that liability and insurance relations stand on a solid ground, thereby setting precedence for balancing policyholder rights with insurer protections.³⁸

The ongoing Kerala High Court proceedings in the MSC Elsa-3 incident clearly exemplify the proactive application of The Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017 to impose financial liability on the foreign ship-owning entity for maritime accidents. The court, exercising in rem jurisdiction under Sections 4 and 5 of the Act, ordered the detention of the vessel and ensured the recovery of a sum of Rs. 1,227 crores from the owners for ocean environmental damages and losses to livelihood caused by the sinking of the vessel.³⁹ The case, at the same time, brings to light judicial innovations in extending India's jurisdictional reach into the Exclusive Economic Zone (EEZ) to fill the voids of traditional admiralty enforcement and substantially enhance the ability of victims to get compensation.⁴⁰ These cases affirm that India's judiciary is increasingly integrating international maritime liability norms and insurance protections into domestic jurisprudence.

3. Existing Legal Framework for Maritime Liability: India & International Perspective

Examining the existing Indian legal framework for maritime liability gives better understanding of the efficiency of statutes such as the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017, the Marine Insurance Act, 1963, the Merchant Shipping Act, 2025. This in turn suggests how far the Indian statutes are in par with the global standards.

3.1. Indian Legal Framework

Section 4 of the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 Act defines a wide array of maritime claims moving from loss of life, environmental damage, and personal injury to maritime liens and salvage so as to give complete coverage to maritime incidents within the ambit of the law.⁴¹ This theoretically gives High Court's jurisdiction to

³⁷ Ibid.

³⁸ Ibid.

³⁹ Kerala High Court, *MSC Elsa-3* shipwreck admiralty suit, 2025; The Wire, 'Shipwreck and Showdown: The MSC Elsa-3 Case and the Test of India's Maritime Law' (25 September 2025).

⁴⁰ Ibid.

⁴¹ Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017 s 4; Indian Journal of Integrated Research in Law, 'Review of 2017 Admiralty Act' (2024) 3(4) IJIRL 5.

grant relief in a variety of maritime disputes, as was exemplified by *M.V. Elisabeth v Harwan Investment* where the Supreme Court reiterated that the High Courts have, by implication, inherent powers relating to maritime law even before codification.⁴² However, the prospects of Section 4 are stifled by the inconsistency pertaining to its interpretation in Indian.⁴³ The delay is even more seen in claims of transnational shade, standing at odds with the intent of making it favourable to international standards.⁴⁴

Section 5 of the Act empowers the High Courts to arrest vessels for the security of maritime claims. But the system is marred by procedural delays, inconsistent treatment between courts, and the refusal of legal certainty upon which swift compensation demands would rest.⁴⁵ A recent example is the Kerala High Court's arrest of a vessel in the *MSC Akiteta II* case using Section 5(2) for environmental damages.⁴⁶ Section 7, on the other hand, limits in personam actions for collision damages, requiring complex procedural formalities that have ensnared some litigants in cross-jurisdictional wrangling.⁴⁷

While the order and priority of maritime liens and claims set forth in Section 9 thereby shall occur with injury and environmental claims on top of the pile, Indian courts, in reality, tend to struggle with resolving such hierarchy, as has been noted by maritime practitioners, as well as in the decision of the Supreme Court in *Liverpool & London SP & I Association Ltd v MV Sea Success I*.⁴⁸ Section 11 intends to protect vessel owners from wrongful arrest but has detailed procedural requirements that could go on to make it harder for the victim to find redress.⁴⁹

The Marine Insurance Act, 1963 (sections 3, 7, and especially 74) recognises contractual and statutory indemnity for marine risks, providing the assured with the right to recover for third-party liability.⁵⁰ Victims are frequently denied redemption, because India has no regime for

⁴² *M.V. Elisabeth v Harwan Investment and Trading Pvt Ltd* AIR 1989 SC 61 (SC).

⁴³ Malini Shankar, 'India's New Admiralty Act: Modernising Maritime Law or Missing the Boat?' (2018) 30(2) *Journal of Maritime Law & Commerce* 233, 245–47.

⁴⁴ R K Mukherjee, 'History of Shipping and Maritime Activity of the Indians from 10 Earliest Times' (Oxford, 1912) 60; THE-DEVELOPMENT-OF-ADMIRALTY-JURISDICTION-IN-INDIA-A-CRITICAL-ANALYSIS.pdf (2023) 5 IJRL 4–5.

⁴⁵ Admiralty Act 2017 s 5; Bhatt & Joshi Associates, 'Section 5 of the Admiralty Act: Legal Framework for Ship Arrest in India' (2025) <https://bhattandjoshiassociates.com/section-5-of-the-admiralty-act-2017-legal-framework-for-ship-arrest-in-india/>.

⁴⁶ Kerala High Court in re *MSC Akiteta II*, (2024) (cited in InsightsonIndia, 'Admiralty Act 2017').

⁴⁷ Admiralty Act 2017 s 7; iPleaders, 'Admiralty Jurisdiction in India' (2020).

⁴⁸ Admiralty Act 2017 s 9; *Liverpool & London SP & I Association Ltd v MV Sea Success I* (2004) 9 SCC 512 (SC).

⁴⁹ Admiralty Act 2017 s 11; InsightsonIndia, 'Admiralty Act 2017' (2025).

⁵⁰ Marine Insurance Act 1963 ss 3, 7, 74.

compulsory insurance either for pollution or hazardous cargo, and direct action as internationally recognised.⁵¹

Among the existing statutes, the recent legislation, The Merchant Shipping Act, 2025 impose a liability and insurance regime on maritime accidents. Firstly, the limitation for claims arising out of collisions, loss of life, and property damage as envisaged by the International Convention and 1976 is enforced and accorded under Sections 165-169, thereby giving predictability to maritime claims settlements.⁵² On the other hand, Sections 198-205 set up the concept of strict liability for bunker oil pollution damage and require compulsory insurance or other financial security for ships above 1,000 gross tonnage in accordance with the International Convention of Civil Liability for Bunker Oil Pollution Damage, 2001.⁵³ Such provisions enable claimants to sue insurers directly and facilitate the constitution of limitation funds under judicial control to assure compensation availability.⁵⁴ The regulation, therefore, validates the liability regime in so far as it provides for commercial certainty for shipowners and, at the same time, victim protection via compulsory insurance and limitation showing a resemblance to the international regime.⁵⁵

3.2. India's Maritime Legal Regime in the light of Global Standards

Whilst the statute presupposed to smooth the settlement of maritime claims in India, it has not yielded desired results in practice. Further procedural delays plague the arrest of ships as well as adjudication of claims in India.⁵⁶ The Bombay High Court, with its traditional role of a principal admiralty court of the country, has witnessed several occasions when it has had to stress upon the difficulty involved in arrest procedures and valuation of maritime claims, thereby most often detrimentally affecting the speed of award to victims.⁵⁷ On the other hand, international conventions provide the structured framework necessary for such processes.

⁵¹ International Convention on Civil Liability for Oil Pollution Damage 1969 art VII; Marine Insurance Act 1963 s 74.

⁵² Merchant Shipping Act 2025, ss 165–169; Convention on Limitation of Liability for Maritime Claims (adopted 19 November 1976, entered into force 1 December 1986) 1456 UNTS 221 (LLMC 1976).

⁵³ Merchant Shipping Act 2025, ss 198–205; International Convention on Civil Liability for Bunker Oil Pollution Damage (adopted 23 March 2001, entered into force 21 November 2008) IMO Doc LEG/CONF.12/19.

⁵⁴ Merchant Shipping Act 2025, s 205.

⁵⁵ International Convention on Civil Liability for Oil Pollution Damage (adopted 29 November 1969, entered into force 19 June 1975) 973 UNTS 3 (CLC 1969); LLMC 1976 (n 1).

⁵⁶ *Chrisomar Corporation v MJR Steels Pvt Ltd* (2018) 16 SCC 117 (SC); *Sunil B Naik v Geowave Commander* (2018) 5 SCC 505 (SC).

⁵⁷ *Epoch Enterrepots v M/V Won Fu* 2002 (1) Bom CR 696 (Bom HC).

Under the Civil Liability Convention 1969 (CLC), shipowners had to provide compulsory insurance, and the claimants were permitted direct action against responsible insurers.⁵⁸

The major inefficiency of India in the maritime liability system-the compensation is inefficient.⁵⁹ In theory, the Marine Insurance Act 1963 establishes the right of the victim to indemnity; in practice, however, recovery is often limited either by exclusionary clauses in the policy or by deliberate underinsurance or fraudulent underinsurance.⁶⁰ In *Chrisomar Corporation v MJR Steels Pvt Ltd*, the Supreme Court, while drawing attention to the conflict between contractual clauses in charterparties and the statutory rights of cargo claimants, illustrated how contractual arrangements may diminish or eliminate compensation.⁶¹ Indian law has no equivalent body to the International Oil Pollution Compensation (IOPC) Fund, which supplements compensation where shipowner liability is insufficient. For example, under the 1992 Protocol to the CLC, compensation may reach up to SDR 203 million, which is much more than what Indian courts generally decide upon in cases of oil spills.⁶² It is this lacuna of supplementary mechanisms that the victims here lack as compared to their counterparts in jurisdictions which are parties to an international regime for ship-source pollution compensation.

Enforcement of maritime claims has remained more complicated because of jurisdictional inconsistency in India. While the Admiralty Act 2017 confers jurisdiction on High Courts of coastal states, the existence of divergent practices from bench to bench has created a degree of uncertainty.⁶³ For instance, the rigour of the Bombay High Court in arrest proceedings runs contrary to the more latitude-oriented and flexible approach of the Madras High Court. It has thus led to unpredictability for both the claimants and the shipowners.⁶⁴

These are inefficiencies of the Indian legal system when juxtaposed against international conventions that have moulded maritime liability. In 1969, the International Convention on

⁵⁸ International Convention on Civil Liability for Oil Pollution Damage (adopted 29 November 1969, entered into force 19 June 1975) 973 UNTS 3 (CLC 1969) art VII.

⁵⁹ Dr. Abhishek Singhvi, 'Maritime Liability Regimes and Compensation Issues in India' (2022) 14 Indian Journal of Maritime Law 56, 60.

⁶⁰ Ibid.

⁶¹ *Chrisomar Corporation v MJR Steels Pvt Ltd* (2018) 16 SCC 117.

⁶² Protocol of 1992 to Amend the International Convention on Civil Liability for Oil Pollution Damage, 1969 (adopted 27 November 1992, entered into force 30 May 1996) 1956 UNTS 255, art 6.

⁶³ Akriti Shah, 'Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017: An Analysis' (Bhatt & Joshi Associates, 3 April 2023) <https://bhattandjoshiassociates.com/admiralty-jurisdiction-and-settlement-of-maritime-claims-act-2017/>.

⁶⁴ Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017, ss 3–5.

Civil Liability for Oil Pollution Damage (CLC 1969) came into force, whose underlying principle was one of strict liability and compulsory insurance, as well as to provide the victim with a right of direct action against the insurer.⁶⁵ However, India does not appear to have laws respectively laying down a complete scheme for the compulsory insurance nor a provision for direct action, wherein the victims find themselves wedded to an extended process of litigation.⁶⁶ The International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001, similarly established specific liability regimes for bunker oil pollution, one of the most frequently occurring results of ship casualties.⁶⁷ India has, to date, not enacted any such legislation, even though bunker oil discharges have been regularly witnessed along its coasts.⁶⁸

The Convention on Limitation of Liability for Maritime Claims, 1976 (LLMC) established fixed limitation amounts, thereby eliminating most disputes concerning the quantum of liability.⁶⁹ India entered in the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 that incorporated limitation principles, but are not harmonised with the LLMC regime, thus creating some uncertainties for foreign shipowners and claimants alike.⁷⁰ Lack of conformity with international law harms India's ambition of arising as a global maritime jurisdiction.⁷¹ Conventions like CLC, Bunker Convention, and LLMC ensure some balance between liability on the one hand and assurance to commercial parties on the other.⁷² India, on the other hand, remains disorganized in its approach and thereby discourages claimants, impairs the pace of compensation, and creates trouble in enforcement.⁷³ the shortcomings arise both at legislative and institutional levels. Procedural delays, half-hearted adoption of international standards, and the absence of a supplementary compensation fund all together act badly for the victim's protection.⁷⁴ With the very opposing approach that comparative analysis

⁶⁵ International Convention on Civil Liability for Oil Pollution Damage (adopted 29 November 1969, entered into force 19 June 1975) 973 UNTS 3 (CLC 1969).

⁶⁶ See Malini Shankar, *Marine Pollution and Coastal Regulation in India* (NLSIU Policy Brief, 2019) 12.

⁶⁷ International Convention on Civil Liability for Bunker Oil Pollution Damage (adopted 23 March 2001, entered into force 21 November 2008) 40 ILM 1493.

⁶⁸ Ministry of Shipping, *Report on Oil Spill Incidents in Indian Waters* (Government of India 2017) 7.

⁶⁹ Convention on Limitation of Liability for Maritime Claims (adopted 19 November 1976, entered into force 1 December 1986) 1456 UNTS 221 (LLMC 1976).

⁷⁰ Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017, No 22 of 2017, Gazette of India, 9 August 2017; see also Ramesh Chandra, 'The Admiralty Act and International Conventions: A Gap in India's Maritime Law' (2019) 61 JILI 233.

⁷¹ Ashutosh Acharya and Khushal Garg, 'India's Compliance of International Maritime Laws' in *India and International Law: Recent Developments* (Routledge 2024) 243.

⁷² Edgar Gold, *Maritime Transport: The Evolution of International Conventions* (2nd edn, Routledge 2015) 98.

⁷³ Rajendra Prasad, 'Maritime Liability in India: Gaps and Challenges' (2021) 27(2) *International Maritime Law Quarterly* 112, 119.

⁷⁴ S Bhattacharya, 'Access to Justice for Maritime Victims in India' (2020) 42(3) *Statute Law Review* 317, 322.

takes, issues of reform thus appear very urgent: India has to reimburse both modernization of its wireless legislation and establishment of a centralized compensation scheme in line with international conventions for fair, timely, and just remedies under those standards.⁷⁵

4. Recommendations and Suggestions

4.1. Application of Absolute Liability

India should explicitly apply the doctrine of absolute liability to maritime operations involving hazardous activities, such as the carriage of oil and chemicals. The Public Liability Insurance Act of 1991 imposes absolute liability on industries handling hazardous substances, and similar principles can be extended to maritime activities to ensure prompt and adequate compensation for victims.⁷⁶ Furthermore, the Indian judiciary has recognized the applicability of absolute liability in cases of oil pollution caused by discharge or escape, underscoring the need for clear legal frameworks in maritime law.⁷⁷

It was first evolved in the case of *M.C. Mehta v. Union of India* (Oleum Gas Leak Case), where the Apex court of the country held that enterprises carrying out hazardous activities owe absolute and non-delegable duty towards the community to ensure that no harm occurs.⁷⁸ The decision in *Vellore Citizens' Welfare Forum v. Union of India* has established the precautionary principle and polluter pays doctrine emphasising that environmental protection outweighs commercial considerations.⁷⁹ Therefore, application of absolute liability in maritime legislation makes India's maritime jurisprudence efficient and ensure prompt and proper compensation for the victims of maritime accidents.

4.2. Statutory Consolidation of Judicial Precedents

The Indian Judiciary has played a significant role in shaping maritime liability norms despite the scattered liability norms spread across different statutes. Landmark rulings such as *M.C.*

⁷⁵ R Churchill and A Lowe, *The Law of the Sea* (4th edn, Manchester University Press 2022) 254.

⁷⁶ Public Liability Insurance Act, 1991, s 3.

⁷⁷ R Kiran, 'Measuring the Applicability of Absolute Liability Principle Over Strict Liability in Cases of Pollution Caused by Discharge or Escape of Oil in the Marine Areas' (2022) <https://ijirl.com/wp-content/uploads/2022/02/MEASURING-THE-APPLICABILITY-OF-ABSOLUTE-LIABILITY-PRINCIPLE-OVER-STRICT-LIABILITY-IN-CASES-OF-POLLUTION-CAUSED-BY-DISCHARGE-OR-ESCAPE-OF-OIL-IN-THE-MARINE-AREAS.pdf>

⁷⁸ *M.C. Mehta v Union of India* (1987) 1 SCC 395.

⁷⁹ *Indian Council for Enviro-Legal Action v Union of India* (1996) 3 SCC 212.

Mehta v. Union of India (Oleum Gas Leak) and *Indian Council for Enviro-Legal Action v. Union of India* have already established the principles of absolute liability as discussed earlier.⁸⁰ The landmark case *MV Nordlake v. Union of India* has established the right of shipowner to limitation of liability.⁸¹ Similarly codification of all the principles in the aforementioned cases in this study within the maritime legislation would ensure uniformity, predictability and enforceability.

This codification is essential to ensure that India's maritime liability law is both victim-centric and commercially viable. The Merchant Shipping Act, 2025, the Admiralty (Jurisdiction and Settlement of Maritime Claims) Act, 2017 and Marine Insurance Act, 1963 provides partial guidance but still prioritises commercial certainty over victim compensation.⁸² Consolidation of liability principles evolved from judicial precedents is vital to ensure certainty regarding the claims of victims in shipping accidents including the quantum of compensation.

4.3. Ratification of International Conventions

India should ratify international conventions such as the 1992 Civil Liability Convention, the 2001 Bunker Oil Pollution Convention, and the 1996 LLMC Convention and incorporate them into its domestic laws.⁸³ These cover basic frameworks for applying compulsory insurance for ship owners, direct claims against insurers, and fixed limits of liability. Their absence in Indian law forces inconsistent reliance upon general tort principles.⁸⁴

4.4. Specialised Maritime Tribunals and Unified Claim Settlement

An exclusive maritime tribunal for collisions, pollution, and insurance claims would expedite issues from being trapped in long, harmful delays of process.⁸⁵ Unified Claim Settlement Mechanism Interim relief could be provided by a claims commission under statute promulgated

⁸⁰ *M.C. Mehta v Union of India* (1987) 1 SCC 395; *Indian Council for Enviro-Legal Action v Union of India* (1996) 3 SCC 212.

⁸¹ *M/s MV Nordlake GmbH v. Union of India* Comm. Admiralty Suit No.14 of 2014, Bombay High Court, 17

⁸² Merchant Shipping Act 1958, Part XA (as amended in 2002); Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017.

⁸³ International Maritime Organization, 'International Convention on Civil Liability for Oil Pollution Damage, 1992' [https://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Civil-Liability-for-Oil-Pollution-Damage-\(CLC\).aspx](https://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Civil-Liability-for-Oil-Pollution-Damage-(CLC).aspx)

⁸⁴ International Maritime Organization, 'International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001' [https://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Civil-Liability-for-Bunker-Oil-Pollution-Damage-\(Bunker-Convention\).aspx](https://www.imo.org/en/About/Conventions/ListOfConventions/Pages/International-Convention-on-Civil-Liability-for-Bunker-Oil-Pollution-Damage-(Bunker-Convention).aspx)

⁸⁵ Admiralty (Jurisdiction and Settlement of Maritime Claims) Act 2017, ss 3–5.

like the International Oil Pollution Compensation Fund (IOPC Fund), which would fairly distribute compensation and avoid lengthy litigation.⁸⁶

4.5. Centralised Fund

A centralised fund to be financed by levies to shipowners as well as contributions from insurers or clubs, should be created so as to provide compensation in cases where the limits of liability would not suffice, in imitation of the IOPC Fund system.⁸⁷ The whole fund may be 7007iabilit after the IOPC Fund system, whereby clear procedures would be instituted with respect to the assessment of claims, payment of claims, and resolution of disputes so as to ensure transparency and efficiency⁸⁸

4.6. Recognition of Foreign Judgements and Environmental Liability

It is necessary for India to enact an explicit statutory provision on the recognition of foreign maritime judgments and arbitral awards in conformity with international practice, thereby greatly enhancing India's hopes as a maritime jurisdiction and reducing the litigation issues in enforcement.⁸⁹ At last, India should ensure that environmental liability principles are embedded within maritime legislation, so as ecologic damage is to be directly compensable and not just incidental to private claims for damages.⁹⁰ This would synchronize maritime liability with the whole regime of sustainable development and international environmental law.⁹¹

Further general recommendations can include Stricter Compliance with Safety Management System⁹², Rigorous Audit of Vessel Preparedness and Effective Human Element Training⁹³ as reported in the guidelines from the directorate general of shipping.⁹⁴ All together these reforms

⁸⁶ Protocol of 1992 to Amend the International Convention on Civil Liability for Oil Pollution Damage, 1969 (adopted 27 November 1992, entered into force 30 May 1996) 1956 UNTS 255.

⁸⁷ International Oil Pollution Compensation Fund (established under the 1992 Protocol to the CLC).

⁸⁸ Ibid.

⁸⁹ Arbitration and Conciliation Act 1996, Pt II; see also New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (adopted 10 June 1958, entered into force 7 June 1959) 330 UNTS 38.

⁹⁰ 'Key Features of the Merchant Shipping Act 2025' (Shipping and Freight Resource, 21 August 2025) <https://www.shippingandfreightresource.com/an-insight-into-indias-newly-revised-merchant-shipping-act-2025/>.

⁹¹ Principle 13, Rio Declaration on Environment and Development 1992.

⁹² Directorate General of Shipping, 'Guidelines for Auditors for Carrying Out Interim Safety Management Certificate (SMC) Audits' (2025) <https://www.dgshipping.gov.in/Content/viewNotice.aspx?noticeid=420>

⁹³ Human Element, Leadership and Management - Operational Level (HELM-OP) Course, 'Human Element, Leadership and Management - Operational Level' (2025) <https://www.himtoffshore.com/human-element-leadership-and-management>

⁹⁴ Directorate General of Shipping, *Marine Safety Investigation Report 2024* (July 2025) <https://www.iims.org.uk/india-dgs-marine-safety-investigation-report-2024-published/>

can strengthen the Indian Maritime Jurisprudence with respect to liability and insurance for maritime accidents.

5. Conclusion

The analysis of maritime liability and insurance in India reveals a fragmented legal framework based on outdated legal principles, procedural difficulties, and unsatisfactory compensation arrangements, which are insufficient in providing solutions to contemporary challenges. The current provisions of the Admiralty Act, 2017 and the Marine Insurance Act, 1963 contains substantial gaps which makes settling disputes, claiming insurance, and enforcement of judgments an onerous and unpredictable exercise, ultimately diminishing their efficacy. Study of international conventions such as CLC 1969, Bunker Convention 2001 and LLMC 1976 casts light on India's trend of departure from accepted international standards, leaving victims of maritime accidents at a disadvantage and through uncertainties that affect shipowners and insurers.⁹⁵

Moving forward, it is imperative for India to strengthen its legal and institutional mechanisms through the ratification of important conventions, the codification of the principles of absolute liability, and the institution of specialised Maritime Tribunals. Parallel reforms guaranteeing that all vessels be insured, the National Fund for Compensation be set up, and all High Courts apply the same procedural law so as to provide for predictability and fairness in compensations are essential to the liability regime that is not only coherent and victim-oriented but would also secure the interests of all stakeholders and enhance India's prestige as a dependable maritime jurisdiction in the world trading system.

⁹⁵ Devesh Raj, 'Carriage Of Goods By Sea Act, 2025: Bridging Indian Law And International Shipping Norms' (16 August 2025) Shipping and Freight Resource <https://lawfullegal.in/carriage-of-goods-by-sea-act-2025-bridging-indian-law-and-international-shipping-norms/>.