

MINISTRY OF PORTS, SHIPPING AND WATERWAYS

NOTIFICATION

New Delhi, the _____ day of _____, 2026

G.S.R. ____.— In exercise of the powers conferred by sub-section (1) of section 165, section 166 and section 174 of the Merchant Shipping Act, 2025 (24 of 2025), and in supersession of the Merchant Shipping (Limitation of Liability for Maritime Claims) Rules, 2015, and any subsequent amendments, orders, or notices issued in relation thereto, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:

1. Short title and commencement.— (1) These rules may be called the Merchant Shipping (Limitation of Liability for Maritime Claims) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Scope and Application.— (1) These Rules shall apply to:

(a) every Indian ship within the jurisdiction of any contracting party to the Convention; and

(b) every foreign-flagged vessel while it is at a port or place in India, including the coastal waters.

(2) Nothing in these Rules shall affect the operation of any other law in force in India in respect of nuclear damage, oil pollution damage covered under other specific conventions, or liability governed by special enactments, including matters relating to the raising, removal, destruction or rendering harmless of a vessel that is sunk, wrecked, stranded or abandoned, or of anything, including cargo, that is or has been on board such vessel.

(3) Nothing in these rules shall prejudice any other limitation provisions applicable under any other law for the time being in force in India.

3. Definitions — (1) In these rules, unless the context otherwise requires;

(a) “Act” means the Merchant Shipping Act, 2025 (24 of 2025);

(b) “Convention” means the Convention on the Limitation of Liability for Maritime Claims, 1976, signed in London on the 19th day of November 1976, as amended by the 1996 Protocol and its subsequent protocols and/or amendments as acceded to by India;

(c) “Fund”, in relation to a vessel, means the limitation Fund constituted under section 168 of the Act;

(d) “liability” shall have the meaning assigned to it in Explanation 2(a) to section 162 of the Act and shall be taken to include claims specified in Section 162(1);

(e) “maritime claim”, in relation to limitation of liability, means a claim as specified in section 162(1) of the Act;

(f) “shipowner” means the owner, charterer, manager, and operator of a seagoing ship.

(g) “Tonnage” means the gross tonnage, which is calculated in accordance with the Merchant Shipping (Tonnage Measurement of Ships) Rules, 2025;

(2) words and expressions used herein and not defined but defined in the Act shall have the meanings respectively assigned to them in the Act.

4. Limitation of liability for maritime claims.— (1) Subject to the provisions of section 162, the right of shipowners and other persons to limit their liability for maritime claims, as mentioned in subsection (1) of section 162, arising on any distinct occasion, read with the provisions of the Convention, shall be calculated as follows:

(a) In respect of claims for loss of life or personal injury:

- (i) 3,020,000 Units of Account for a ship with a tonnage not exceeding 2000 tons;
- (ii) For a ship with a tonnage in excess of 2000 tons, the following amount in addition to that mentioned in sub-clause (a)(i):
 - (A) For each ton from 2,001 to 30,000 tons, 1208 Units of Account;
 - (B) For each ton from 30,001 to 70,000 tons, 906 Units of Account; and
 - (C) For each ton in excess of 70,000 tons, 604 Units of Account.

(b) In respect of any other claims:

- (i) 1,510,000 Units of Account for a ship with a tonnage not exceeding 2000 tons;
- (ii) For a ship with a tonnage in excess of 2,000 tons, the following amount in addition to that mentioned in sub-clause (b)(i):
 - (A) For each ton from 2,001 to 30,000 tons, 604 Units of Account;
 - (B) For each ton from 30,001 to 70,000 tons, 453 Units of Account; and
 - (C) For each ton in excess of 70,000 tons, 302 Units of Account.

(2) Where the amount calculated in accordance with clause (a) of subrule (1) is insufficient to pay the claims mentioned therein in full, the amount calculated in accordance with clause (b) of subrule (1) shall be available for payment of the unpaid balance of claims under clause (a) of subrule (1), and such unpaid balance shall rank rateably with the claims mentioned under clause (b) of subrule (1).

(3) The limit of liability for any salvor not operating from any ship or for any salvor operating solely on the ship to, or in respect of which he is rendering salvage services, shall be calculated according to a tonnage of 1,500 tons.

5. Limitation of liability for ships intended for navigation in or around the coast of India.— (1) Subject to the proviso to sub-section (1) of section 165 of the Act, the limits of liability for maritime claims for ships intended for navigation in or around the coast of India, arising on any distinct occasion, shall be calculated as follows:

(a) In respect of personnel claims and/or property claims;

- (i) 833,000 Units of Account for a ship with a tonnage not exceeding 500 tons;
- (ii) For a ship with a tonnage in excess of 500 tons, the following amount in addition to that mentioned in sub-paragraph (i):
 - (A) For each ton from 501 to 3,000 tons, 700 Units of Account;
 - (B) For each ton from 3,001 to 30,000 tons, 533 Units of Account;
 - (C) For each ton from 30,001 to 70,000 tons, 350 Units of Account; and

(D) For each ton in excess of 70,000 tons, 167 Units of Account.

(b) In respect of any other claims;

(i) 367,000 Units of Account for a ship with a tonnage not exceeding 500 tons;

(ii) For a ship with a tonnage in excess of 500 tons, the following amount in addition to that mentioned in sub-paragraph (i):

(A) For each ton from 501 to 30,000 tons, 367 Units of Account;

(B) For each ton from 30,001 to 70,000 tons, 255 Units of Account; and

(C) For each ton in excess of 70,000 tons, 123 Units of Account.

(2) Where the amount calculated in accordance with clause (a) of subrule (1) is insufficient to pay the claims mentioned therein in full, the amount calculated in accordance with clause (b) of subrule (1) shall be available for payment of the unpaid balance of claims under clause (a) of subrule (1), and such unpaid balance shall rank rateably with the claims mentioned under clause (b) of subrule (1).

(3) The limit of liability for any salvor not operating from any ship or for any salvor operating solely on the ship to, or in respect of which he is rendering salvage services, shall be calculated according to a tonnage of 1,500 tons.

Explanation - (1) For the purpose of this rule, claims for personal injury mean claims resulting from serious physical or mental injury, partially incapacitating, sustained by the seafarer in the course of or during employment on the ship as per the provision of the relevant Collective Bargaining Agreement [CBA] entered into between the ship owner and the seafarers' associations.

Explanation - (2) For the purpose of this rule, any other claims means claims resulting on account of property damage, consequential loss, pure economic loss, environmental damage and legal expenses, including technical advice, sustained by the claimants in any maritime claim except claims in respect of personal injury.

6. Limitation of liability for ships of 500 gross tonnage and below.— (1) Subject to the proviso to sub-section (1) of section 165 of the Act, the limits of liability for maritime claims for ships intended for navigation in or around the coast of India, arising on any distinct occasion, shall be calculated as follows:

(a) In respect of personnel claims and/or property claims;

(i) 333,000 Units of Account for a ship with a tonnage not exceeding 100 tons;

(ii) For a ship with a tonnage in excess of 100 tons, the following amount in addition to that mentioned in sub-paragraph (i):

(A) For each ton from 101 to 300 tons, 500 Units of Account;

(B) For each ton from 301 to 400 tons, 333 Units of Account;

(C) For each ton from 401 to 500 tons, 250 Units of Account; and

(b) In respect of any other claims;

(iii) 1,67,000 Units of Account for a ship with a tonnage not exceeding 100 tons;

(iv) For a ship with a tonnage in excess of 100 tons, the following amount in addition to that mentioned in sub-paragraph (i):

- (D) For each ton from 101 to 300 tons, 167 Units of Account;
- (E) For each ton from 301 to 400 tons, 125 Units of Account; and
- (F) For each ton in excess of 401 to 500 tons, 83 Units of Account.

(2) Where the amount calculated in accordance with clause (a) of subrule (1) is insufficient to pay the claims mentioned therein in full, the amount calculated in accordance with clause (b) of subrule (1) shall be available for payment of the unpaid balance of claims under clause (a) of subrule (1), and such unpaid balance shall rank rateably with the claims mentioned under clause (b) of subrule (1).

(3) The limit of liability for any salvor not operating from any ship or for any salvor operating solely on the ship to, or in respect of which he is rendering salvage services, shall be calculated according to a tonnage of 1,500 tons.

7. Limits of Liability for Claims for Loss of Life or Personal Injury to Passengers. – (1) Subject to the provisions of section 165 and section 166 of the Act, the limitation of liability of a shipowner in respect of claims arising on any distinct occasion for loss of life or personal injury to passengers of a ship, shall be calculated as follows

(a) under Rule 4, an amount of 1,75,000 Units of Account multiplied by the number of passengers.

(b) under Rule 5, an amount of 75,000 Units of Account multiplied by the number of passengers, but not exceeding 40,000,000 Units of Account;

(c) under Rule 6, an amount of 60,000 Units of Account multiplied by the number of passengers, but not exceeding 30,000,000 Units of Account.

(2) The number of passengers shall be taken as the maximum number the ship is authorized to carry according to the passenger certificate issued for the ship.

(3) Where the total claims for loss of life or personal injury to passengers exceed the amount calculated in sub-rule (1), the limit shall be apportioned among the claimants rateably.

8. Constitution of Fund. – Any person alleged to be liable under these Rules may constitute a fund in accordance with the procedures for constitution of limitation funds under section 168 and section 169 of the Act, in respect of claims which can be limited under these Rules.

9. Mandatory Compliance with Entry Regulations. – Notwithstanding anything contained in these Rules, any ship, to which these Rules apply, at the time of entering, operating, or remaining within the coastal waters, shall comply with the requirements prescribed under the Merchant Shipping (Regulation of Entry of Ships into Coastal Waters) Rules, 2026, including any conditions, restrictions, or documentary requirements stipulated thereunder.

10. Residual Powers. – (1) The Competent Authority may issue detailed guidelines, standard operating procedures, and contingency protocols consistent with these Rules to ensure effective implementation of this Part.

(2) Where any doubt arises in the interpretation or implementation of these rules, the decision of the Competent Authority shall be final.

11. Units of accounts. - (1) The units of account referred to in these Rules are the Special Drawing Rights as defined by the International Monetary Fund.

(2) The units of account calculated under these Rules shall be converted into Indian Rupees according to the official value in rupees of the Special Drawing Right as determined by the Reserve Bank of India on the date the Fund is constituted or a deposit is made or a guarantee is given under section 168 and section 169 of the Act.

[F. No. _____]

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