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PRACTICE NOTE — MOTOR ACCIDENT & TRAFFIC LAW

The Motor Vehicles Act, 1988 — Key Points

Compulsory insurance, no-fault & fault-based compensation, hit-and-run claims, MACT procedure, and enhanced 2019 penalties

STRUCTURE

14 Chapters, 200+ Sections

MAJOR AMENDMENT

Motor Vehicles (Amendment) Act, 2019 — in force 1 September 2019
(provisions notified in phases)

KEY 2019 REFORMS

Enhanced penalties; Good Samaritan protection (S.134A); Golden Hour cashless treatment scheme; Motor Vehicle Accident Fund

S.166(3) LIMITATION

6-month limitation for MACT claims notified only from 25 Feb 2022 — applies prospectively to accidents on/after 1 April 2022

DIGITAL REFORMS

e-Challans, digital DL/RC via VAHAN & SARATHI platforms; nationwide validity of licences/permits

COMPULSORY THIRD-PARTY INSURANCE

SECTION 146 — NECESSITY FOR INSURANCE

- No motor vehicle can be used in a public place without a valid policy covering **third-party risk** — foundational protection ensuring accident victims have a source of compensation regardless of the vehicle owner's financial position.

SECTION 196 — PENALTY FOR NO INSURANCE

- Driving/using a vehicle without valid third-party insurance: fine of **₹2,000** (first offence), **₹4,000** (subsequent offence), and/or imprisonment up to 3 months — increased from the pre-2019 fine of ₹1,000.

GOOD SAMARITAN PROTECTION — SECTION 134A

IMMUNITY FOR BYSTANDERS WHO RENDER AID

- A "Good Samaritan" — a person who, in good faith and voluntarily, without expectation of reward, provides emergency medical/non-medical assistance at an accident scene or transports the victim to hospital — **cannot be made liable** (civilly or criminally) for any injury/death resulting from their negligence in rendering such aid. Introduced to counter the historical reluctance of bystanders to help accident victims for fear of police/legal harassment.

NO-FAULT & STRUCTURED-FORMULA COMPENSATION

SECTION 140 — NO-FAULT LIABILITY

- Claimant need **not prove negligence** to claim compensation for death or permanent disablement — fixed statutory amounts, and **contributory negligence cannot be pleaded** to reduce the award. A faster, more limited alternative to a full S.166 claim.

SECTION 163A — STRUCTURED FORMULA BASIS

- Compensation for death/permanent disablement determined on a **structured formula** (Second Schedule multiplier method, based on age and income) without the claimant having to prove negligence — offers a higher, more predictable award than S. 140, without the evidentiary burden of a full S.166 fault-based claim.

HIT-AND-RUN COMPENSATION — SECTION 161

COMPENSATION WHERE THE OFFENDING VEHICLE IS UNTRACED

- Where the identity of the offending vehicle/driver cannot be established, the victim (or legal heirs, in case of death) may still claim compensation from the **Solatium Fund**/Motor Vehicle Accident Fund — a fixed sum (₹2 lakh or as prescribed, for death; a prescribed sum for grievous hurt) is payable, ensuring victims of untraceable hit-and-run accidents are not left without any remedy.

FAULT-BASED CLAIMS — SECTION 166 (MACT)

FULL COMPENSATION ON PROOF OF NEGLIGENCE

- Application for compensation filed before the **Motor Accident Claims Tribunal (MACT)** — allows the claimant to seek the **full/actual quantum** of loss (unlike the capped S.140 or formula-based S.163A routes), by establishing negligence of the offending driver/owner.
- Application may be filed by the person injured, owner of damaged property, or legal representatives of the deceased, before the MACT having jurisdiction where the accident occurred, or where the claimant resides/carries on business, or where the defendant resides — a claimant-friendly, wide choice of forum.
- Limitation — S.166(3):** A 6-month limitation period (extendable to 12 months for sufficient cause) was inserted by the 2019 Amendment, but was notified into force only from **25 February 2022**, and courts (including the Gauhati and Gujarat High Courts) have held it applies **prospectively** and does not operate to defeat a genuine claim absent express exclusion of the Limitation Act — always check the accident date and current judicial position in the relevant jurisdiction before advising on limitation.

ENHANCED PENALTIES — 2019 AMENDMENT (ILLUSTRATIVE)

OFFENCE	SECTION	PENALTY (POST-2019)
Driving without a licence	S.181	Fine up to ₹5,000 (raised from ₹500).
Drunk driving / under influence of drugs	S.185	₹10,000 fine and/or imprisonment up to 6 months (first offence); ₹15,000 and/or up to 2 years' imprisonment (repeat offence within 3 years).
Not wearing a helmet	S.194D	Fine of ₹1,000 (raised from ₹100) plus disqualification from holding a licence for 3 months.
Driving without insurance	S.196	₹2,000 (first)/₹4,000 (subsequent) and/or imprisonment up to 3 months.
Dangerous driving	S.184	Fine up to ₹5,000 and/or imprisonment up to 1 year (first offence); ₹10,000 and/or up to 2 years (repeat offence within 3 years).
Accident caused by a juvenile driver	S.199A	Guardian/owner of the vehicle deemed liable — registration of the vehicle may be cancelled, and the juvenile is tried under the Juvenile Justice Act (with an adult trial possible for a heinous-offence-equivalent outcome), and is disqualified from obtaining a licence until age 25.

PRACTICE NOTES

Choose the Right Compensation Route Deliberately

For a quick, low-evidentiary-burden claim, advise S.140 (no-fault) or S.163A (structured formula); for higher-value claims where negligence can be clearly established, S.166 (MACT, fault-based) will usually yield a larger award — these routes are not mutually exclusive in sequence, but a S.166 claim after taking S.140 relief will typically have the S.140 amount adjusted against the final award.

Verify the Accident Date Against S.166(3)'s Prospective Cut-Off

Before conceding a limitation objection, confirm the accident occurred on or after 1 April 2022 (the effective date the 6-month limitation became operative) — claims for earlier accidents are not governed by the shortened limitation period.

Advise Bystander Clients on Good Samaritan Protection

Where a client (e.g. a passer-by or good Samaritan) faces harassment for having assisted an accident victim, invoke S.134A protection proactively — this is a frequently under-utilised defence against wrongful implication.

For internal practice reference only — this note highlights select, frequently used provisions of the Motor Vehicles Act, 1988 (as amended by the 2019 Amendment Act, 14 Chapters, 200+ Sections) and does not cover the full Act, Rules, or State-specific notifications. Cross-check exact section text and the latest MoRTH/State notifications before relying in advice or proceedings. Prepared 2 August 2026.

Primary sources: The Motor Vehicles Act, 1988 and the Motor Vehicles (Amendment) Act, 2019 (indiacode.nic.in, morth.nic.in); commentary and case-law summaries via Devgan.in, SCC Online, LiveLaw, ApniLaw, and SaveLIFE Foundation's analysis of the 2019 Amendment.