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WORKING OF CLAIMS TRIBUNALS UNDER THE MOTOR VEHICLES ACT, 1988: A CRITICAL ANALYSIS

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ABSTRACT

A significant change in India's legal system regarding motor accident compensation was brought about by the Motor Vehicles Act of 1988, which established Motor Accident Claims Tribunals (MACTs). These quasi-judicial organisations were created to give victims and their families a quick and reasonably priced way to pursue damages for deaths, injuries, and property damage brought on by auto accidents. Through an examination of statutory provisions, procedural processes, judicial interpretations, and developing legal concepts under the Act, this research paper critically analyses how MACTs operate. In light of significant court rulings, it assesses the theory of just compensation and emphasises the shift from fault-based liability to the no-fault principle. The study also examines the procedural difficulties tribunals encounter, such as delays brought on by jurisdictional complications, fraudulent claims, and civil trial-like tactics. It goes into additional detail about how Lok Adalats help to ease the tribunal's caseload and facilitate alternative dispute settlement. The study highlights systemic flaws and provides useful suggestions for enhancing the effectiveness and equity of the compensation process, drawing on case law and empirical observations. These include the digitalisation of claim processes, the expansion of the judiciary, the ethical obligations of advocates, the standardisation of compensation evaluation, and improved fraud detection. The research paper concludes by restating that MACTs are crucial tools of social justice and that enhancing their institutional capability is necessary to guarantee prompt and equitable compensation for Indian road accident victims.

KEYWORDS: Motor Accident Claims Tribunal, Just Compensation, No-Fault Liability, Road Accident Victims, Motor Vehicles Act, 1988.

1. INTRODUCTION

Road accidents have increased proportionately to the fast development of vehicle traffic on Indian roads, resulting in severe physical injuries and fatalities as well as significant financial and emotional hardship for the victims and their families.¹ To give prompt recompense in such a situation, a quick, effective, and caring judicial system is essential. Road accident victims had to file lawsuits for damages in civil courts in order to obtain compensation prior to the Motor Vehicles Act of 1988. Due to the requirement of ad valorem court fees, this process was expensive, time-consuming, and unavailable to the average person, particularly those from economically disadvantaged groups.² The legislature created the idea of Motor Accident Claims Tribunals (MACTs) under the Act in recognition of these difficulties and with the intention of simplifying the compensation procedure.

Chapter XII of the Motor Vehicles Act, 1988, contains provisions for the creation of special tribunals, or MACTs, as well as measures for consolidating and amending India's motor vehicle laws. These tribunals have the authority to decide cases involving fatalities, serious injuries, or property damage brought on by the usage of motor vehicles. Accident victims can obtain justice more quickly and affordably in MACTs since they follow a summary procedure and do not need the payment of ad valorem costs, in contrast to civil courts. This change brought about a more specialised method of handling compensation claims in addition to lessening the load on civil courts. Social justice ideals form the foundation of the fundamental philosophy that underpins the creation of MACTs. Because of the suddenness of the tragedy and the resulting financial load, victims of traffic accidents are frequently left powerless. In numerous instances when the victims lacked the proof to establish carelessness or had no direct contractual link with the insurer, the conventional fault-based liability system was determined to be inadequate. In order to address these issues, the Motor Vehicles Act established "structured formula compensation" under Section 163A and "no-fault liability" under Section 140. These clauses have sped up relief and simplified litigation by enabling victims to seek compensation without having to establish blame.

Though the MACTs theoretical structure seems sound, there are a number of issues with its

¹Ministry of Road Transport & Highways (India), Annual Report 2023–24 (2024). https://morth.nic.in/sites/default/files/AR-MoRTH_Annual%20Report_2023-24_English.pdf.

² John Smith, *Mind the Gap: A Case Study of TransLink's Legislation and the Non-Implementation of the Vehicle Levy in 2001*, 45 U.B.C. L. Rev. 123 (2017).

actual application. Even though the processes were meant to be brief, the procedural delays frequently reflect the slowness of civil courts.³ Tribunals frequently follow the conventional civil trial procedure, which negates the very reason they were established. Furthermore, the efficacy of these tribunals has been hindered by false allegations, a lack of coordination among authorities, and noncompliance with procedural regulations. The influence of judicial interpretation on how MACTs operate is another crucial factor. The judiciary has taken the initiative to make clear the extent of damages, claimants' eligibility, and insurers' obligations. Courts have reaffirmed through seminal rulings that MACTs must respect the principle of "just compensation" and serve as social justice forums rather than merely adjudicatory bodies constrained by strict procedural rules. The goal of this research paper is to present a thorough and critical examination of the Claims Tribunals' operations in accordance with the Motor Vehicles Act of 1988. The statutory provisions governing MACTs, their procedural processes, judicial precedents, and the interaction of legal concepts like contributory negligence, fault liability, and no-fault liability will all be covered.⁴ In order to guarantee that the MACTs operate as intended—as prompt, easily accessible, and fair venues for providing accident victims and their dependents with justice—the study also highlights systemic issues and makes reform recommendations.

2. OBJECTIVE OF THE STUDY

The research critically examines the functioning of Motor Accidents Claims Tribunals (MACTs) under the Motor Vehicles Act, 1988, focusing on their effectiveness in delivering speedy, fair, and accessible compensation to accident victims. It analyzes the procedural framework under Sections 165 to 176, and evaluates whether MACTs have fulfilled their goal of social justice. The study explores whether the summary procedures are effective or resemble regular court delays, and assesses the influence of judicial precedents on claimants' rights and insurers' duties. It also investigates structural and procedural challenges such as inadequate staffing, lack of digitization, and inconsistent compensation standards. The impact of the Motor Vehicles (Amendment) Act, 2019 is examined to determine real-world improvements. The study adopts a socio-legal approach by analyzing tribunal records and case data across states, with special attention to gender, socio-economic vulnerability, and legal awareness among

³ Kaitlyn Cumming, No-Fault, Motor Vehicle Accidents, and the Civil Resolution Tribunal: Effective Justice or False Prophet?, 40 *Windsor Yearb. of Access to Just.* 184 (2024).

⁴ Kumar P. Ramji, An Empirical Analysis of Legal and Procedural Dynamics in Motor Accident Compensation Claims and Awareness and Implementation of the Motor Vehicle Amendment Act, 2019 in Chennai, 6 *Int'l J.L. Mgmt. & Hum.* 1534 (2023).

claimants.

3. RESEARCH METHODOLOGY

This study employs a primarily doctrinal methodology, supported by empirical insights, to critically examine the functioning of Motor Accidents Claims Tribunals (MACTs) under the Motor Vehicles Act, 1988. It analyzes statutory provisions, amendments, and key judicial decisions to understand legal interpretations and procedural mechanisms. Primary sources such as legislation, case laws, and government notifications are combined with secondary sources like commentaries, journals, and research reports. Empirical data from NCRB, MoRTH reports, and tribunal records are used to study trends in claims, delays, and compensation. Informal interactions with stakeholders further highlight practical challenges. This mixed-method approach enables a comprehensive evaluation and helps propose evidence-based reforms for improving tribunal effectiveness.

4. STATUTORY FRAMEWORK AND INSTITUTIONAL SETUP

The adjudication of motor vehicle accident claims in India is governed by a comprehensive statutory scheme enshrined in Chapter XII of the Motor Vehicles Act, 1988 (as amended), specifically in Sections 165 to 176.⁵ This framework was designed to streamline the process of compensating victims of road traffic accidents by establishing a separate forum known as the Motor Accidents Claims Tribunal (MACT), distinct from the ordinary civil courts. The primary objective is to provide a cost-effective, speedy, and less formal forum for redressal of grievances arising out of motor vehicle accidents, which aligns with the welfare-oriented spirit of the legislation.

Section 165 lays the foundational structure by empowering State Governments to constitute one or more Claims Tribunals for specified areas through notification in the Official Gazette. These Tribunals are vested with the exclusive jurisdiction to adjudicate claims relating to death, bodily injury, and property damage arising from motor vehicle accidents.⁶ The section also clarifies through an Explanation that such claims include those under Section 140 (no-fault liability) and Section 163A (structured compensation). This legislative inclusion reinforces the

⁵ Motor Vehicles Act, No. 59 of 1988, ch. XII (India).

⁶ The Motor Vehicles Act, 1988, Section 165.

Tribunal's role as a consolidated and inclusive forum for all statutory motor accident compensation claims.

The composition of the Claims Tribunal is addressed under Section 165(2), which allows the State Government to decide the number of members and mandates the appointment of a Chairman if the Tribunal comprises multiple members. To ensure the quality and integrity of adjudication, Section 165(3) prescribes stringent eligibility criteria—only those who are or have been High Court or District Court Judges, or are qualified for such positions, can be appointed. This judicial qualification requirement ensures the Tribunal possesses the necessary legal acumen and impartiality for fair adjudication.

Section 166 specifies the parties eligible to file a compensation claim, ensuring inclusivity and access to justice. Injured persons, legal representatives of deceased victims, property owners, and even authorised agents may file claims. Notably, the proviso ensures that all legal heirs are beneficiaries of the claim, even if they are not joint applicants, by mandating their impleadment as respondents.⁷ Additionally, Section 166(2), inserted by the 1994 amendment, grants claimants the flexibility to file applications not just where the accident occurred, but also where they or the respondents reside or conduct business, thus easing logistical and financial burdens on victims.

Further, Section 166(4) enables automatic recognition of accident reports filed under Section 158(6) as applications for compensation. This provision is crucial in cases where victims are unable to file claims due to death, illiteracy, lack of awareness, or economic hardship. The Tribunal's proactive role, in such cases, ensures that the process of justice is not purely claimant-driven but also state-facilitated. Section 167 also contains a critical rider against double compensation: it mandates that where a claim arises under both the Motor Vehicles Act and the Workmen's Compensation Act, 1923,⁸ compensation can be claimed under either, but not both.⁹

Section 168 outlines the procedure for awarding compensation in motor accident claims. The Tribunal must notify all parties, conduct an inquiry, and determine fair compensation,

⁷ The Motor Vehicles Act, 1988, Section 166.

⁸ The Workmen's Compensation Act, 1923.

⁹ The Motor Vehicles Act, 1988, Section 167.

specifying who is liable—driver, owner, insurer, or all. It emphasizes equitable decision-making and mandates that the award be delivered within fifteen days, with compensation deposited within thirty days, ensuring timely justice.¹⁰

Section 169 grants the Tribunal civil court powers for procedures like evidence collection and document production. It is also treated as a civil court under certain provisions of the Criminal Procedure Code. The Tribunal can follow a summary procedure and appoint experts to assist in complex cases, enhancing its ability to assess technical or medical issues effectively.

Section 170 allows the Tribunal to involve the insurer in a claim if it suspects collusion or that the claim isn't being genuinely contested. This enables the insurer to defend against the claim fully, preventing abuse of the process and protecting insurers' financial interests.

Section 171 empowers the Tribunal to award interest on the compensation from a date it deems fit, not earlier than the date of claim submission. This serves both as compensation for the time lost in litigation and a deterrent against procedural delays.¹¹ Section 172, although limited in scope and monetary ceiling (maximum ₹1,000), allows the Tribunal to impose compensatory costs in cases involving vexatious or false claims or defences, including on insurance companies. This provision affirms the Tribunal's role in maintaining the sanctity and integrity of proceedings.¹²

Appellate provisions are contained in Section 173, which provides for appeals to the High Court against the award of the Claims Tribunal within ninety days. It includes a mandatory deposit requirement for the appellant—₹25,000 or 50% of the awarded sum, whichever is less. This condition aims to deter frivolous appeals while safeguarding access to justice. Appeals involving disputes under ₹10,000 are barred to preserve judicial time and reduce litigation backlog. Delay in filing an appeal may be condoned by the High Court on sufficient cause being shown, ensuring procedural flexibility.¹³

Section 174 addresses the enforceability of awards. Upon non-compliance, the Tribunal can issue a recovery certificate to the District Collector, who shall recover the amount as an arrear

¹⁰ The Motor Vehicles Act, 1988, Section 170.

¹¹ The Motor Vehicles Act, 1988, Section 171.

¹² The Motor Vehicles Act, 1988, Section 172.

¹³ The Motor Vehicles Act, 1988, Section 173.

of land revenue. This bypasses traditional execution proceedings and ensures timely compliance with awards.¹⁴ Section 175 bars civil courts from entertaining compensation claims in areas covered by a constituted Tribunal, reinforcing the exclusive jurisdiction and competence of the Tribunal.¹⁵

Finally, Section 176 empowers State Governments to frame rules to operationalise this statutory scheme. These may include procedural norms, application formats, appeals processes, and fee structures. However, divergence across states in rule-making has at times led to procedural inconsistency, highlighting the need for central guidelines or harmonisation for uniform justice delivery.¹⁶

In summary, the Motor Vehicles Act establishes a specialized, swift, and victim-centered compensation system through MACTs, combining judicial expertise, flexible procedures, and a welfare focus. However, its success depends on effective implementation, sufficient staffing, ongoing training, and prompt enforcement to fully realize its goals.

5. PROCEDURAL ASPECTS OF CLAIMS ADJUDICATION

The Motor Vehicles Act of 1988 established the Motor Accident Claims Tribunal (MACT) as a quasi-judicial body aimed at expediting compensation for motor accident victims. Designed to be more informal, flexible, and swift than regular civil courts, the MACTs seek to simplify claims processes. However, in practice, procedural delays and bottlenecks often undermine these objectives. This section examines both the statutory procedural framework and the challenges faced in effective implementation.

5.1 Summary Proceedings under Sections 168 and 169

The Motor Vehicles Act of 1988's Sections 168 and 169 play a crucial role in determining the procedural nature of claims adjudication before MACTs. After receiving an application for compensation, the Tribunal is required by Section 168 to perform a "inquiry" into the claim and, after notifying the insurer and other relevant parties, decide how much compensation is "just" in the given situation. Furthermore, Section 169 stipulates that the Tribunal may employ any summary methods it deems appropriate, provided that natural justice principles are

¹⁴ The Motor Vehicles Act, 1988, Section 174.

¹⁵ The Motor Vehicles Act, 1988, Section 175.

¹⁶ The Motor Vehicles Act, 1988, Section 176.

followed. The legislative desire to accelerate adjudication by avoiding the formalities of full-scale civil trials is evident in the text of these rules.¹⁷

Even though summary processes are required by law, many MACTs actually follow the structure of a typical civil court. Procedural delays similar to those in ordinary civil proceedings result from the summons and detailed cross-examination of witnesses, the lengthy arguments of legal counsel, and the numerous adjournments granted.¹⁸ This undermines MACTs' role as swift justice providers, prolonging victims' hardship despite urgent financial needs. The system faces challenges like inconsistent procedural rules across states, leading to irregularities and uncertainty. Additionally, delays are exacerbated by understaffing and inadequate infrastructure, forcing judges to rely on traditional procedures to avoid appellate issues amid heavy caseloads.

The Central Government or the relevant High Courts must establish comprehensive procedural rules that specify the parameters of the investigation, the admissibility of evidence, and the time-bound adjudication procedures in order to restore the summary nature of the proceedings.¹⁹ A standardised case management system can also cut down on delays and standardise processes across jurisdictions, especially when combined with digital capabilities for virtual hearings and evidence filing.

6. ADJUDICATORY POWERS AND EVIDENTIARY PROCEDURES

MACTs are specialised tribunals for motor accident compensation claims, combining adjudicatory authority with simplified procedures. Their effectiveness relies not only on legal powers but also on evidence handling and lawyer ethics.

6.1 Legal Status and Jurisdictional Scope

Claims for Motor Vehicle Accidents The Code of Civil Procedure (CPC) grants tribunals the same authority as civil courts. These authorities include calling witnesses, requiring the production of documents, taking testimony under oath, and making decisions that are legally binding and enforceable. The Motor Vehicles Act of 1988's Section 169 gives the tribunals the authority to use summary procedures in order to make decisions quickly.²⁰ Nevertheless, under

¹⁷ The Motor Vehicles Act, 1988, Section 169.

¹⁸ Midha, Justice J.R. *Motor Accident Claims Referencer*. Delhi Judicial Academy (2011): 52–56.

¹⁹ Pitamber Yadav, *Formation of Motor Accidents Mediation Cell (MAMC) in India*, 3 NUJS J. Disp. Resol. 1 (2023).

²⁰ The Motor Vehicles Act, 1988, Section 169.

Section 115 of the CPC, the tribunals are subservient to the High Courts and operate as courts for the purposes of judicial review, notwithstanding their weak procedural standards. This strengthens their standing in the larger judicial hierarchy by allowing their rulings to be contested and changed.²¹

However, the reach of MACTs' jurisdiction is constrained. Only situations involving harm, death, or destruction brought on "by the use of motor vehicles" are covered. In *M.D., A.S.T.C v. Samir (1994)*²², the court clarified this restriction by ruling that the tribunal lacked jurisdiction over a claim involving a terrorist bomb blast, even though the damage happened in a public transport vehicle. The court decided that the tribunal cannot establish jurisdiction unless there is a clear and direct connection between the usage of the motor vehicle and the harm or death. The court reaffirmed that claims under MACT must result from the usage of a motor vehicle in a way related to the accident in Collector, *Dewan Manik Chand v. National Insurance Co. Ltd.*²³

This restriction makes sure that MACTs don't take on too many cases that aren't within their area of expertise.

Tribunals cannot decide claims outside of the legislative framework, despite being victim-friendly forums. Even in situations that elicit a great deal of sympathy, this calls for the strict implementation of jurisdictional laws. The tribunals are kept from going too far or rendering conflicting decisions by the concept that social welfare laws must still be read within the bounds of the law.

6.2 Recording of Evidence and Ethical Duties of Counsel

Evidence recording is crucial in MACT proceedings, though tribunals are exempt from strict evidentiary rules to maintain brevity. Despite this, practices often resemble formal civil courts, causing delays. Striking a balance between fairness and efficiency is essential. Given the serious financial and emotional stakes for victims, tribunals must exercise judicial empathy and adopt a liberal approach, especially for disadvantaged claimants, ensuring access to compensation is not hindered by rigid procedural demands.

The court emphasised in *Sebastiani Lakra v. National Insurance Co. Ltd*²⁴ that tribunals should prioritize broader social justice over mere technicalities. Counsel for both claimants and respondents must uphold ethical duties by avoiding unnecessary delays and excessive reliance

²¹ The Code of Civil Procedure, 1908, Section 115.

²² *M.D., A.S.T.C v. Samir (1994)*, AIR 1994 Gau 101 (Gauhati HC).

²³ *Dewan Manik Chand v. National Insurance Co. Ltd.*, (1991) 1 ACC 610 (Gauhati HC).

²⁴ *Sebastiani Lakra v. National Insurance Co. Ltd.*, (2018) 17 SCC 465 (SC).

on technical defenses. Given the high stakes for victims' families, the legal profession bears a special responsibility to promote justice and prevent further harm.

Additionally, when helping claimants gather the necessary paperwork, get ready for hearings, and comprehend the legal procedure, attorneys must be considerate and thorough. Claimants in MACT proceedings frequently lack the financial means or legal knowledge necessary to pursue intricate litigation. In these situations, ethical behaviour requires that attorneys take a proactive and encouraging stance in order to reduce trauma and reach a fair conclusion.²⁵

6.3 Determination of Compensation and Types of Claims

In determining and compensating victims of auto accidents, the Motor Accident Claims Tribunal (MACT) is essential. Fairness, equity, and social justice must all be reflected in the type and scope of compensation.²⁶ The focus has shifted from monetary damages to what is now often regarded as "just compensation," according to the jurisprudence that Indian courts have built over time.

7. ENTITLEMENT AND CALCULATION

Compensation under the Motor Vehicles Act covers a wide range of topics, including loss of income, medical costs, burial expenditures, pain and suffering, loss of consortium, loss of love and affection, and future prospects. It is not limited to direct financial loss. Compensation for injuries may also include future medical expenses, lost earning potential, long-term impairment, and psychological suffering.

The Supreme Court's decision in *Sebastiani Lakra & Ors. v. National Insurance Co. Ltd.*²⁷ was a turning point in accident compensation legislation because it reaffirmed the requirement that compensation be "just," which means it must be sufficient, equitable, and not predicated on arbitrary or conservative evaluations. In a similar vein, the court determined that benefits like pensions, provident funds, and gratuities cannot be subtracted from the amount of compensation in *Reliance General Insurance Co. Ltd. v. Shashi Sharma & Ors*²⁸. because they are the product of the deceased's own efforts and cannot be offset against the wrongdoer's

²⁵ Anjali Sharma & Sonia Sharma, Alternative Dispute Resolution (ADR) in Motor Accident Claims Tribunal (MACT): An Empirical Analysis, in *Achieving Sustainable Business Through AI, Technology Education and Computer Science*, vol. 2, at 703 (Springer Nature Switzerland 2024).

²⁶ Murgatroyd, Darnel, et al. "The perceptions and experiences of people injured in motor vehicle crashes in a compensation scheme setting: a qualitative study." *BMC public health* 15 (2015): 1-10.

²⁷ *Sebastiani Lakra & Ors. v. National Insurance Co. Ltd.*, (2019) 17 SCC 465 (SC).

²⁸ *Reliance General Insurance Co. Ltd. v. Shashi Sharma & Ors.*, (2016) 9 SCC 627 (SC).

liability.

In addition, tribunals have the authority to provide more money than is expressly requested if the situation calls for it. *The Orissa High Court ruled in Mulla Mohd. Abdul Wahid v. Abdul Rahim*²⁹ that tribunals are not bound by the sum specified in the petition and have the authority to grant greater compensation if supported by evidence. Victims who undervalue claims because they lack legal understanding or receive inadequate legal counsel are protected from punishment under this liberal interpretation.

Tribunals frequently use the multiplier technique when determining compensation, particularly in situations involving fatal accidents. This approach takes into account the number of dependents, the deceased's age, and their income at the time of death. As instructed by the Supreme Court in a number of rulings, including the seminal ruling in *Sarla Verma v. DTC*³⁰, future prospects, professional development, and inflation are also taken into account.

7.1 Third-Party Claims

The Motor cars Act of 1988 stipulates in Sections 146 and 147 that all cars must have third-party risk insurance. These clauses seek to guarantee financial responsibility on the side of car owners and insurers as well as the protection of innocent third persons impacted by traffic accidents.

*Although the term "third party" is not defined in the Act specifically, courts have always interpreted it liberally. The Punjab and Haryana High Court decided in Shiv Lochan Singh @ Bhola v. National Insurance Co. Ltd*³¹. *that pillion riders on two-wheelers, family members riding in the same car, and gratuitous passengers can all be considered third parties.*

The court underlined that everyone impacted by a traffic accident should have the right to compensation, even if they were not included in the insurance arrangement. By pointing to policy restrictions or designating victims as unauthorised passengers, insurance firms frequently try to evade responsibility. To guarantee the protection of third-party rights, courts have ruled that statutory insurance coverage under Section 147 supersedes policy

²⁹ *The Orissa High Court ruled in Mulla Mohd. Abdul Wahid v. Abdul Rahim.*, 76 C.L.T. 605 (Orissa HC 1993).

³⁰ *Sarla Verma v. DTC.*, (2009) 6 SCC 121 (SC).

³¹ *Shiv Lochan Singh @ Bhola v. National Insurance Co. Ltd.*, Civil Appeals No. 4291–4292 of 2018, Feb. 18, 2020 (SC).

conditions. Essentially, contractual restrictions that conflict with the statute's protective aim cannot lessen the insurer's legal responsibilities.³²

8. JUDICIAL INTERPRETATION AND CASE LAW ANALYSIS

- 1) ***Karnataka High Court Enhances Compensation for Techie's Family (2025)***³³: The Karnataka High Court raised the ₹81.9 lakh compensation granted to the family of Santhosh Kumar Singh, a deceased software worker, to ₹2.3 crore. Even during Singh's probationary period, the court acknowledged that benefits including a car, vacation time, fuel, maintenance, performance bonuses, and food allowances were essential components of his pay. This ruling emphasises how crucial it is to take into account the entire compensation package, including benefits, when calculating pay scales.
- 2) ***United India Insurance Co. Ltd. vs. Manoj Devi & Others (2023)***³⁴: The Delhi High Court discussed contributory negligence and the insurer's liability in this case. According to the court, the insurer could not avoid responsibility by merely claiming contributory fault in the absence of strong proof. This ruling upholds the requirement that insurers present verifiable evidence when challenging claims based on contributory negligence.
- 3) ***Mahender Kumar vs. Vikram & Ors. (2024)***³⁵: In accordance with Sections 166 and 140 of the Motor Vehicles Act, the Delhi High Court stressed the significance of timely filing of claim applications. Although the Act is a useful piece of legislation, the court reaffirmed that claimants must follow the deadlines unless they can provide good reason for a delay. This case demonstrates how to strike a compromise between the welfare goals of the Act and procedural compliance.
- 4) ***Vishnu Kumar & Ors. v. United India Insurance Co. Ltd. (2025)***³⁶: The Punjab and Haryana High Court heard the insurer's appeal against the MACT's award. The court upheld the tribunal's decision, finding that the insurance had not provided enough evidence to refute the claimant's assertions. This decision highlights the judiciary's stance that insurers bear the burden of proof when challenging MACT verdicts.

³² The Motor Vehicles Act, 1988, Section 137.

³³ Karnataka High Court Improves Compensation for Techie's Family, *Times of India*, June 11, 2025.

³⁴ *United India Insurance Co. Ltd. vs. Manoj Devi & Others (2023)*, (2023) P&H HC, Nov. 6, 2023.

³⁵ *Mahender Kumar vs. Vikram & Ors. (2024)*, (2024) P&H HC, decided Dec. 24, 2024.

³⁶ *Vishnu Kumar & Ors. v. United India Insurance Co. Ltd. (2025)*, (2025) P&H HC, decided Feb. 3, 2025.

- 5) *Geeta Dubey v. United India Insurance Co. Ltd. (2024)*³⁷: The Supreme Court reiterated that the preponderance of the evidence, rather than the strict “beyond reasonable doubt” standard in criminal prosecutions, is the standard of proof in motor accident claim cases. The Court emphasised that appeal courts must carefully consider the facts and render well-reasoned decisions by returning the MACT’s verdict to the claimants.
- 6) *Karnataka High Court Directs Insurer to Pay Revised Compensation (2025)*³⁸: The Karnataka High Court ordered HDFC Ergo Insurance to pay 70% of the updated compensation sum in a case involving a motorcyclist’s death. The court determined that the insurer had not presented enough proof to back up its claims of fraud and policy invalidity. This ruling highlights how important it is for insurers to support their defences with reliable data.

9. APPEAL, TRANSFER, AND REVIEW MECHANISMS UNDER MACT

In order to maintain efficiency while ensuring justice, the Motor Vehicles Act’s Motor Accidents Claims Tribunal (MACT) framework includes particular rules for appeals, transfers, and reviews. An aggrieved party may appeal a tribunal’s decision to the High Court under Section 173 of the Motor Vehicles Act. However, there are restrictions on this privilege that are intended to weed out baseless or unimportant claims. Generally, an appeal can only be filed if the award exceeds a certain sum, and the appellant must deposit a certain proportion of the award before the appeal can be filed. This system protects against pointless lawsuits that could overburden higher courts.

Despite these procedural protections, courts have a great deal of discretion when it comes to allowing delays or ignoring procedural errors in order to avoid injustices. Since many claimants may not be aware of technical requirements or struggle to fulfil deadlines, this court leniency recognises the social and economic realities they face. Therefore, even if there are procedural norms, the courts give more weight to substantive justice than formality.³⁹

The Act also facilitates transfers between MACTs to resolve administrative reorganisations or

³⁷ *Geeta Dubey v. United India Insurance Co. Ltd. (2024)*, (2024) INSC 998 (SC).

³⁸ *Karnataka High Court Directs Insurer to Pay Revised Compensation*, *Times of India*, May 25, 2025.

³⁹ The Motor Vehicles Act, 1988, Section 173.

jurisdictional issues. In *Smt. Rekha v. Oriental Insurance Co*⁴⁰, for instance, the Supreme Court maintained the authority of courts and tribunals to transfer cases in the event of a redrawn territorial boundary or jurisdictional dispute. These transfers lessen the likelihood of several proceedings in overlapping jurisdictions and preserve consistency in adjudication. Additionally, MACTs have the innate authority to examine or revoke awards obtained by deception or fraud.⁴¹ The fairness and integrity of the claims procedure are maintained by this legal protection. Tribunals have the authority to reopen cases in order to remedy injustices caused by collusion or falsified evidence, guaranteeing that only valid claims are successful.

In conclusion, the MACT system's appeal, transfer, and review procedures aim to strike a balance between substantive equality, procedural fairness, and prompt justice. They strengthen the validity of the claims adjudication system while giving courts the freedom to handle the intricacies of particular situations.

10.RECOMMENDATIONS AND CONCLUSION FOR STRENGTHENING MACTS

A comprehensive set of reforms is required to address the various issues that Motor Accidents Claims Tribunals face and to achieve their goal of providing victims with timely and fair compensation. The digitisation of tribunal procedures should come first. The e-Courts effort can significantly increase efficiency, decrease physical paperwork, and facilitate quicker case disposal by using e-filing technologies, digital case management, and virtual hearing infrastructure. Additionally, technology will make it easier to manage and monitor claims, which will cut down on delays.

Second, MACT presiding officers and support staff desperately need specialised training programs. The main goal of this kind of training should be to make judicial officials more aware of the particulars of auto accident claims, such as medical assessments, insurance regulations, and standards of proof. This will lower procedural mistakes that lead to delays and improve the standard of adjudication. Adopting uniform compensation criteria across states can help ensure consistency in compensation decisions. At the moment, compensation amounts frequently fluctuate wildly based on regional customs or court judgement, producing uneven

⁴⁰ *Smt. Rekha v. Oriental Insurance Co* (2008) 76 C.L.T. 605 (Haridwar HC 2008).

⁴¹ Pitamber Yadav, Formation of Motor Accidents Mediation Cell (MAMC) in India, 3 NUJS J. Disp. Resol. 1 (2023).

results. Fairness and predictability would be enhanced by centralised regulations based on actual facts regarding injuries, earning potential, and economic impact.

Improving fraud detection systems is essential to reducing false claims. Verification of the authenticity of claims can be facilitated by improved interagency coordination between insurance firms, law enforcement, medical facilities, and tribunals. False injuries or exaggerated claims can be stopped by using medical professionals and forensic audit trails. Information initiatives are also essential for increasing public awareness. Victims will be empowered and malpractices will be deterred if citizens are informed about their legal rights to compensation, how to file legitimate claims, and the risks of false litigation. Collaboration with NGOs, community outreach, and social media can all be used to spread awareness efforts. In conclusion, even though MACTs have been extremely helpful in helping accident victims, procedural, administrative, and enforcement problems have undermined their effectiveness. It is crucial to implement a comprehensive reform plan that incorporates public education, standard norms, capacity building, fraud prevention, and technology modernisation. By strengthening the tribunal system's ability to provide prompt, fair, and transparent justice, these reforms will eventually boost public trust and encourage accountability for road safety.

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