

**GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS**

**LOK SABHA
UNSTARRED QUESTION NO - 4579
ANSWERED ON- 19th MARCH, 2026**

TAX EXEMPTIONS ON ROAD ACCIDENT COMPENSATION

4579 SHRI RAJMOHAN UNNITHAN:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether tax exemptions on road accident compensation have been implemented uniformly across States, if so, the details thereof;**
- (b) whether the Government has reviewed the progress of National Highway No. 66 (NH-66) expansion in southern Kerala, if so, the details thereof;**
- (c) whether land acquisition delays continue to affect project timelines, if so, the details thereof; and**
- (d) the steps taken or proposed to expedite highway works while ensuring fair compensation?**

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) The Motor Vehicles Act, 1988 (“the Act”) provides for compensation to victims of motor vehicle accidents. Section 165 of**

the Act empowers State Government to constitute one or more Motor Accidents Claims Tribunals. Further, Section 168 empowers the Claim Tribunal to make an award determining the amount of compensation.

An application for compensation may be filed before the Claims Tribunal under Section 164 or Section 166 of the Act, as the case may be, read with Rule 150A and Annexure XIII of the Central Motor Vehicles Rules, 1989.

In the Union Budget of 2026-27, it was announced that in order to alleviate the sufferings of victim of motor vehicle accident and their family, it is proposed that any interest awarded on compensation amount in the case of individual, awarded by Motor Accident Claims Tribunal (MACT) shall be exempted. Further, it is also proposed that in case of an individual, no tax shall be deducted at source for such interest, irrespective of the amount of interest awarded by MACT.

In this regard, vide the Finance Bill, 2026, amendments have been proposed to the Income-tax Act, 2025 and these amendments shall take effect from 1st April, 2026 and shall accordingly apply to the tax year 2026–27 and subsequent years.

(b) The detailed progress report of National Highway No. 66 expansion in Southern Kerala is enclosed in Annexure-A.

(c)&(d) The Government has undertaken various initiatives to prevent recurrence of delays and cost escalations. These include streamlining and expediting land acquisition using “Bhoomirashi” portal and GIS-based Land Acquisition Plan, revamping “Parivesh” Portal, to facilitate faster forest and environmental clearances, enabling online approval of General Arrangement of Drawings (GAD) of Road Over Bridge/Road Under Bridge (ROB/RUB), and leveraging the mechanism of review and resolution of bottlenecks / hindrances in ongoing projects, in active collaboration with the State Governments and other stakeholders. Government has also launched a web portal for Railway related clearances with defined timelines for various approvals.

The Government has put in place a strong framework using multiple mechanisms for monitoring project progress and contractor

inefficiencies. Regular review meetings are conducted at various levels with stakeholders to assess project progress, and critical projects, such as those delayed by more than three years or pending for award / appointment.

As a result, number of projects delayed by more than 3 years has come down from 152 in April' 2024 to 85 in February' 2026.

Annexure-A**ANNEXURE REFERRED TO IN REPLY TO PARTS (b) OF THE LOK SABHA UNSTARRED QUESTION NO. 4579 FOR ANSWER ON 19TH MARCH, 2026 ASKED BY SHRI RAJMOHAN UNNITHAN REGARDING TAX EXEMPTIONS ON ROAD ACCIDENT COMPENSATION**

Sr. No	Name of Project	Length (km)	Physical progress (%)	Status
1.	Construction of 6 lane Elevated Corridor along with development of existing 4 lane road at ground level from Aroor to Thuravoor Thekku section of NH 66	12.75	86	On-going
2.	6 Laning of Thuravoor Thekku – Paravoor section of NH-66	38.39	73	
3.	6 laning of Paravoor to Kottukulangara section of NH 66	37.5	74	
4.	6 laning of Kottukulangara to start of Kollam bypass section of NH 66	31.5	75	
5.	6 Laning of Start of Kollam Bypass to Kadambattukonam of NH-66 Pvt Ltd	31.25	90	
6.	6 Laning of Kadambattukonam to Kazhakuttom of NH-66	29.83	47	
7.	Rectification of 4 Nos. black spots/Accident Spots in Thiruvananthapuram Bypass section of NH-66	2.42	27	

8.	Four laning of Kazhakkootam to Mukkola Section on NH-66	24.99	100	
9.	Construction of New 4-Lane Elevated Highway (2x10.5m wide twin two lane structures) including approaches & service roads connecting Kazhakuttam Junction and Technopark Junction	2.72	100	
10.	4 Laning of Thiruvananthapuram Bypass from Mukkola to Kerala / Tamil Nadu Border	16.20	100	Completed
	GRAND TOTAL	227.55 Km		
