

**NAFR**

**HIGH COURT OF CHHATTISGARH, BILASPUR**

**WP (227) No.329 of 2017**

Smt. Ashwani Nayak, W/o Santosh Nayak, Aged about 42 years,  
R/o Talab Para, Koliyari, P.S. Arjuni, Tahsil & Dist-Dhamtari (CG)

**-----Petitioner**

**Versus**

1. Nupendra Kumar S/o Bednath Deshumh, Aged about 30 years, R/o Vill-Dughali, Malibori, P.S. Balod, Tahsil and Dist-Balod (CG) Present Residing at Bramhan Para, Dondilohara, Tahsil Dondilohara, Dist-Balod (CG)
2. Prateek Jain, S/o Prakash Chandra Jain, Aged about 34 years, R/o Village Main Road, Bus Stand, Dondi Lohara, P.S. & Tah. Dondilohara, Dist-Balod (CG)
3. Iffco Tokiyo General Insurance Company Limited, Branch Office, Lal Ganga Shopping Mall, 3<sup>rd</sup> Floor, G.E. Road, Raipur (CG)

**----- Respondents**

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For Petitioner : Mr.Ravindra Sharma, Advocate  
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**Hon'ble Shri Justice Sanjay K. Agrawal**

**Order on Board**

01/05/2017

1. the Claims Tribunal by order dated 5.1.2015 awarded compensation of Rs.3,21,000/- to the claimant along with interest and paid Rs.1,00,000/- to her by account payee cheque. Thereafter, the award was enhanced by this Court to Rs.5,33,000/- and now total compensation is Rs.8,54,000/-. The petitioner made an application for disbursing

Rs.2,47,539/-. By the impugned order, the Claims Tribunal has rejected the application filed by the petitioner without assigning any reason.

2. I have heard learned counsel for the petitioner and perused the impugned order with utmost circumspection.

3. In the matter of **A.V. Padma & others Vs. R. Venugopal & others**<sup>1</sup> Their Lordships of the Supreme Court have noticed earlier decision of the Supreme Court in the matter of **General Manager, Kerala State Road Transport Corporation, Trivandrum Vs. Susamma Thomas and others**<sup>2</sup>, and Supreme Court has issued certain guidelines in order to safeguard the interest of the claimants and held that change of attitude and approach on the part of the Tribunals is necessary in the interest of justice; further held that the Tribunal should not dispose of the claim petition for withdrawal of the amount of compensation in a mechanical manner and without proper application of mind, this has resulted in serious injustice and hardship to the claimants.

Paragraphs 5 & 6 of the report states as under:-

“5. Thus, sufficient discretion has been given to the Tribunal not to insist on investment of the compensation amount in long term fixed deposit and to release even the whole amount in the case of literate persons. However, the Tribunals are often taking a very rigid stand and are mechanically ordering in almost all cases that the amount of compensation shall be invested in long term fixed deposit. They are taking such a rigid and mechanical approach without understanding and appreciating the distinction drawn by this Court in the case of minors, illiterate

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<sup>1</sup> 2012 (2) C.G.L.J. 322

<sup>2</sup> AIR 1994 SC 1631

claimants and widows and in the case of semi-literate and literate persons. It needs to be clarified that the above guidelines were issued by this Court only to safeguard the interests of the claimants, particularly the minors, illiterates and others whose amounts are sought to be withdrawn on some fictitious grounds. The guidelines were not to be understood to mean that the Tribunals were to take a rigid stand while considering an application seeking release of the money. The guidelines cast a responsibility on the Tribunals to pass appropriate orders after examining each case on its own merits. However, it is seen that even in cases when there is no possibility or chance of the feed being frittered away by the beneficiary owing to ignorance, illiteracy or susceptibility to exploitation, investment of the amount of compensation in long term fixed deposit is directed by the Tribunals as a matter of course and in a routine manner, ignoring the object and the spirit of the guidelines issued by this Court and the genuine requirements of the claimants. Even in the case of literate persons, the Tribunals are automatically ordering investment of the amount of compensation in long term fixed deposit without recording that having regard to the age or fiscal background or the strata of the society to which the claimant belongs or such other considerations, the Tribunal thinks it necessary to direct such investment in the larger interests of the claimant and with a view to ensure the safety of the compensation awarded to him. The Tribunals very often dispose of the claimant's application for withdrawal of the amount of compensation in a mechanical manner and without proper application of mind. This has resulted in serious injustice and hardship to the claimants. The Tribunals appear to think that in view of the guidelines issued by this Court, in every case the amount of compensation should be invested in long term fixed deposit and under no circumstances the Tribunal can release the entire amount of compensation to the claimant even if it is required by him. Hence a change of attitude and approach on the part of the Tribunals is necessary in the interest of justice.

6. In this case, the victim of the accident died on 21.7.1993. The award was passed by the Tribunal on 15.2.2002. The amount of compensation was enhanced by the High Court on 6.7.2006. Neither the Tribunal in its award nor the High Court in its order enhancing compensation had directed to

invest the amount of compensation in long term fixed deposit. The Insurance Company deposited the compensation amount in the Tribunal on 7.1.2008. In the application filed by the appellants on 19.6.2008 seeking withdrawal of the amount without insisting on investment of any portion of the amount in long term deposit, it was specifically stated that the first appellant is an educated lady who retired as a Superintendent of the Karnataka Road Transport Corporation, Bangalore. It was also stated that the second appellant Poornachandrika is a M.Sc. Degree holder and the third appellant Shalini was holding Master Degree both in Commerce and in Philosophy. It was stated that they were well versed in managing their lives and finances. The First appellant was already aged 71 years and her health was not very good. She required money for maintenance and also to put up construction on the existing house to provide dwelling house for her second daughter who was a co-owner along with her. The second daughter was stated to be residing in a rented house paying exorbitant rent which she could not afford in view of the spiralling costs. It was further stated in the application that that the first appellant was obliged to provide a shelter to the first daughter Poornachandrika. It was pointed out that if the money was locked up in a nationalized bank, only the bank would be benefited by the deposit as they give a paltry interest which could not be equated to the costs of materials which were ever increasing. It was further stated that the delay in payment of compensation amount exposed the appellants to serious prejudice and economic ruin. Along with the application, the second and third appellants had filed separate affidavits supporting the prayer in the application and stating that they had no objection to the amount being paid to the first appellant."

4. The Claims Tribunal has not assigned any reason as to why the petitioner is not entitled for disbursement of the amount of Rs.2,47,539/- as her daughter died, way back on 25.12.2012 and only Rs.1,00,000/- has been paid to her till this date.

5. Accordingly, the impugned order is set aside. The Claims Tribunal is directed to consider afresh the application of the petitioner within 30 days from the date of receipt of copy of this order in the light of observation made in **A.V. Padma** (supra and that too by passing a reasoned and speaking order.
6. The writ petition is allowed to the extent indicated hereinabove. No order as to cost(s).

Sd/-

(Sanjay K.Agrawal)  
**Judge**

B/-