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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ **CM(M) 354/2025**

JULI .....Petitioner

Through: Mr. Aman Sharma & Mr. Chirag Sharma, Advs. along with petitioner in person.

versus

ROHIT & ORS. .....Respondents

Through:

CORAM:
HON'BLE MR. JUSTICE AMIT MAHAJAN

ORDER

% **20.02.2025**

CM APPL. 10410/2025 (*exemption*)

1. Exemption allowed, subject to all just exceptions.

2. The application stands disposed of.

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3. The present petition is filed challenging the order dated 04.02.2025 (hereafter '**the impugned order**') passed by the learned Motor Accidents Claims Tribunal, Rohini Courts, Delhi, whereby the application filed by the petitioner, who is a widow and the legal heir of the deceased, seeking premature release of the awarded compensation, was dismissed.

4. The learned Tribunal, by order dated 18.02.2024, passed a compromise award of ₹41,50,000/- in favour of the legal heirs of the deceased. By the order dated 02.05.2024, petitioner was granted compensation for a sum of ₹20,50,000/-, a sum of ₹5,00,000/- was awarded each in favour of the minor children of

the deceased, ₹5,50,000/- was awarded each in favour of the parents of the deceased. Out of the share of the petitioner, ₹5,50,000/- was ordered to be released in her favour, while the remaining ₹15,00,000- was kept in Motor Accident Claims Annuity Deposit (MACAD), to be disbursed in a phased manner i.e., ₹10,000/- in her MACT savings bank account.

5. The learned counsel for the petitioner submits that the petitioner is differently abled, illiterate, and unable to work, and that she lives in rented accommodation. It is contended that the monthly disbursement of ₹10,000/- is insufficient to meet her daily needs, and that purchasing a house would eliminate her monthly rent liability of ₹4,500/-, securing her future stability. The petitioner also claims that she intends to use the compensation to start a grocery shop to earn a livelihood.

6. A perusal of the impugned order reveals that the learned Tribunal dismissed the application on the grounds that the petitioner had not disclosed sufficient justification for premature release of funds. The learned Tribunal observed that the compensation was granted to secure the long-term financial stability of the petitioner and her family, and that alternative financial options, such as availing a housing loan, could be explored instead of seeking the premature release of the compensation amount.

7. The Hon'ble Apex Court in ***Kerala, SRTC v. Susamma Thomas*** **: (1994) 2 SCC 176**, *inter alia*, laid down the following guidelines regarding the investment and release of compensation awarded in motor accident claims. The object of granting compensation is not for the immediate disposal of funds for personal investments but to ensure the long-term financial security of the claimant and to prevent the amount from being

misused, squandered, or lost due to financial imprudence, exploitation, or illiteracy. The relevant paragraph reads as under :

> *"**23.** In a case of compensation for death it is appropriate that the Tribunals do keep in mind the principles enunciated by this Court in Union Carbide Corpn. v. Union of India [(1991) 4 SCC 584] in the matter of appropriate investments to safeguard the feed from being frittered away by the beneficiaries owing to ignorance, illiteracy and susceptibility to exploitation. In that case approving the judgment of the Gujarat High Court in Muljibhai Ajarambhai Harijan v. United India Insurance Co. Ltd. [(1982) 1 Guj LR 756] this Court offered the following guidelines: (Guj LR pp. 759-60)*
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> *"(i) The Claims Tribunal should, in the case of minors, invariably order the amount of compensation awarded to the minor be invested in long term fixed deposits at least till the date of the minor attaining majority. The expenses incurred by the guardian or next friend may, however, be allowed to be withdrawn;*
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> *(ii) In the case of illiterate claimants also the Claims Tribunal should follow the procedure set out in (i) above, but if lump sum payment is required for effecting purchases of any movable or immovable property such as, agricultural implements, rickshaw, etc., to earn a living, the Tribunal may consider such a request after making sure that the amount is actually spent for the purpose and the demand is not a ruse to withdraw money;*
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> *(iii) In the case of semi-literate persons the Tribunal should ordinarily resort to the procedure set out at (i) above unless it is satisfied, for reasons to be stated in writing, that the whole or part of the amount is required for expanding and existing business or for purchasing some property as mentioned in (ii) above for earning his livelihood, in which case the Tribunal will ensure that the amount is invested for the purpose for which it is demanded and paid;*
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> *(iv) In the case of literate persons also the Tribunal may resort to the procedure indicated in (i) above, subject to the relaxation set out in (ii) and (iii) above, if having regard to the age, fiscal background and strata of society to which the claimant belongs and such other considerations, the Tribunal in the larger interest of the claimant and with a view to ensuring the safety of the compensation awarded to him thinks it necessary to do order;*
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> *(v) In the case of widows the Claims Tribunal should invariably follow the procedure set out in (i) above;*
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> *(vi) In personal injury cases if further treatment is necessary the Claims Tribunal on being satisfied about the same, which shall be recorded in writing, permit withdrawal of such amount as is necessary for incurring the expenses for such treatment;….."*

8. From the above, it is evident that in cases involving widows, minors, and illiterate claimants, the Tribunal keeping into account the security of the claimant and to safeguard the fund from being frittered away should direct the awarded amount

to be invested in long-term deposits. Lump sum withdrawal may only be permitted under exceptional circumstances and must be directly linked to the claimant's livelihood or essential sustenance.

9. In the present case, the petitioner was residing in rented accommodation even prior to the demise of her husband. The compensation was awarded with the clear intent of providing sustained financial assistance over time. The structured disbursement ensures a regular and secure income, protecting the claimant from financial distress in the long run.

10. The petitioner has failed to provide any credible evidence or justification that necessitates a deviation from the impugned order. No material has been placed on record to substantiate that purchasing property is the only viable means of securing her future, nor has she demonstrated any concrete plan regarding her purported business venture.

11. The primary objective of granting compensation in motor accident death cases is to mitigate the hardships faced by the dependents of the deceased by providing them with financial support that compensates for the loss of income and support resulting from the untimely death. This approach is intended to place the dependents in a position as close as possible to that which they would have occupied had the accident not occurred.

12. In line with this objective, structured disbursement of compensation ensures that the financial needs of the claimant are met consistently over an extended period, thereby safeguarding against the potential mismanagement or rapid depletion of a lump-sum amount.

13. In light of the above, the Tribunal was justified in dismissing the application for premature release of the funds, as

permitting such a release would defeat the very object of granting compensation in motor accident cases, which is to ensure long-term financial security and not to facilitate immediate investments in property.

14. Accordingly, this Court finds no infirmity in the impugned order dated 04.02.2025, and the present petition stands dismissed.

AMIT MAHAJAN, J

FEBRUARY 20, 2025