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

\+ CM(M) 907/2026 & CM APPL. 26679/2026

RAMESH SINGH .....Petitioner

Through: Mr. Girish Chander, Mr.Vaibhav Gusain, Advocates.

versus

ARIF SIDDQUE @ SALMAN (DRIVER) & ORS. .....Respondents

Through: *Nemo.*

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

O R D E R

% **23.04.2026**

1. This petition has been filed assailing the impugned order dated 10th February 2026, passed by the Motor Accident Claims Tribunal, North District, Rohini Courts, Delhi ['***MACT***'] in ***MACT No.374/2024***, whereby the MACT rejected the application filed by the petitioner for partial release of the award amount.

2. Petitioner seeks to open a small business using part of the awarded amounts to sustain his livelihood. It is stated by *Mr. Girish Chander*, counsel for petitioner, that the petitioner had to mortgage a piece of land in order to start his new business and, therefore, requires release of the said land from the mortgage.

3. It is further stated that only *Rs.2,25,998*/- was released pursuant to a previous application and the plea for release of an amount of *Rs.7,00,000*/- was rejected by the impugned order.

4. In these facts and circumstances, this Court deems it appropriate to set

aside the impugned order dated 10th February 2026, and direct that an amount of *Rs.7,00,000*/- be released by liquidating the requisite number of Fixed Deposit Returns [***FDRs***] for the benefit of the claimant.

5. Issue of premature release of the compensation amounts has also been considered by the Supreme Court in ***A.V. Padma & Ors. v. R. Venugopal & Ors***., (2012) 3 SCC 378, wherein it was observed that a mechanical approach ought not to be adopted by the MACT and that the purpose thereof is only to safeguard the interest of the claimant. Relevant paragraphs are extracted as under:

> "***8.*** *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. <u>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</u> in the case of minors, illiterate 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.*
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> ***9.*** *<u>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</u>*

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.

***10.** 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*."

(emphasis added)

6. *Mr. Girish Chander*, counsel for petitioner, states that petitioner has been counselled in this matter and is well conscious of the implication of the partial premature withdrawal of the compensation amount. As stated, petitioner is *40 years* of age, has two children, is facing difficulty in

continuing with his normal livelihood, considering that he has suffered *57%* permanent disability and could not continue his vocation; therefore, he seeks new sources of livelihood i.e. running his own business.

7. Petition stands disposed of with above directions.

8. Pending application is rendered infructuous.

9. Order be uploaded on the website of this Court.

ANISH DAYAL, J

APRIL 23, 2026/ak/tk