IN THE HIGH COURT OF DELHI AT NEW DELHI

No. 6070-6082 /DHC/Gaz.IB/G-2/HC-Judgment/2026 Dated: 16.10.2026

From :

The Registrar General,
High Court of Delhi,
New Delhi.

To

1. The Principal District & Sessions Judge (HQ), Tis Hazari Courts Complex, Delhi.
2. The Principal District & Sessions Judge (East), Karkardooma Courts Complex, Delh
3. The Principal District & Sessions Judge (North-West), Rohini Courts Complex, Delhi.
4. The Principal District & Sessions Judge (West), Tis Hazari Courts Complex, Delhi.
5. The Principal District & Sessions Judge (North-East), Karkardooma Courts Complex, Delhi.
6. The Principal District & Sessions Judge (South-West), Dwarka Courts Complex, New Delhi.
7. The Principal District & Sessions Judge (South), Saket Courts Complex, New Delhi
8. The Principal District & Sessions Judge (New Delhi), Patiala House Courts Complex, New Delhi.
9. The Principal District & Sessions Judge (North), Rohini Courts Complex, Delhi.
10. The Principal District & Sessions Judge-cum-Special Judge (PC Act) (CBI), RACC, New Delhi.
11. The Principal District & Sessions Judge (Shahdara), Karkardooma Courts Complex, Delhi.
12. The Principal District & Sessions Judge (South-East), Saket Courts complex, Delhi.
13. The Principal Judge (HQ), Family Courts, Dwarka, New Delhi.

Sub : Order dated 16.09.2026 passed by Hon'ble Delhi High Court in MAC. APP. 1004/2016 titled "Sanjay Sachdeva vs. Bhola Mahato & Ors (M/S Reliance General Insurance Co. Ltd.)

Sir/ Madam,

I am directed to request you to kindly download the order dated 16.09.2026 passed by Hon'ble Delhi High Court in MAC. APP. 1004/2016 titled "Sanjay Sachdeva vs. Bhola Mahato & Ors (M/S Reliance General Insurance Co. Ltd.) from the official website of Delhi High Court and circulate the same amongst all the Judicial Officers working under your respective control for information and necessary compliance.

Yours faithfully,

Sunil Singh Negi 16/10/26

(Sunil Singh Negi)
Deputy Registrar (Gazette-IB)
For Registrar General.

OFFICE OF THE PRINCIPAL DISTRICT & SESSIONS JUDGE: ROHINI COURTS, DELHI

No. 50436-50531 **.....Genl.I/3-A/N-W & N/RC/2026** **Dated** 03/11/2026

Copy alongwith its enclosures **(through electronic mode)**, forwarded for information & necessary action, to :-

1. All Ld. Judicial Officers posted at **N/W & North**, Rohini Courts, Delhi.
2. Dealing Official, Computer Branch, Rohini Courts for uploading the same on WEBSITE.
3. The Dealing Official, R & I Branch, Rohini Courts, Delhi for uploading the same on LAYERS.

(RAJANI RANGA)
Officer In-Charge, General Branch-I
North-West & North District,
Rohini Court Complex, Delhi.

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

\# **CNR No. DLHC012960612016**

\+ MAC.APP. 1004/2016

SANJAY SACHDEVA .....Appellant

Through: Mr. Mayank Khurana, Advocate.

versus

BHOLA MAHATO & ORS (M/S RELIANCE GENERAL INSRUANCE CO LTD) .....Respondents

Through:

CORAM:
HON'BLE MR. JUSTICE ANISH DAYAL

O R D E R

% 16.09.2026

CM APPL. 63209/2026 (*Exemption*)

1. Exemption allowed, subject to all just exceptions.

2. Application is accordingly disposed of.

CM APPL. 63208/2026 (*release of the amount*)

1. This application has been filed by the claimant seeking release of an amount of *Rs.2,50,000/-* from the fixed deposit receipts ('***FDRs***') deposited pursuant to judgment passed by this Court on 20th February 2026, disposing of cross-appeals filed by the Insurance Company and claimant.

2. By the said judgment, Court had directed that the enhanced compensation, along with 9% interest, be deposited before the Motor Accident Claims Tribunal ['***MACT/Tribunal***'], and further directed that a lump sum amount of *Rs. 5,00,000/-* be released and balance amount of the

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enhanced compensation be kept in FDRs. It was noted that the originally awarded compensation had been directed to be deposited before the MACT.

3. *Mr. Mayank Khurana*, counsel for applicant/claimant, states that the claimant has suffered 93% permanent disability and is seeking limited release of money for the purpose of repaying certain loan amounts that he had taken.

4. An application for release of this amount was moved before the MACT, however, the same was rejected *vide* order dated 18th July 2026, stating that no verifiable material had been filed alongwith the application.

5. Copy of the promissory note which had been executed by the applicant/claimant has been appended as *Annexure- E*. Despite the same having been placed before the MACT, the MACT has taken a parsimonious view and refused to release the said amount.

6. As per *Mr. Khurana*, counsel for applicant/claimant, a balance amount of *Rs. 25,46,000/-* remains in fixed deposits and is for the benefit of claimant only.

7. It is pertinent to note that this Court is frequently besieged with applications arising from orders passed by MACTs rejecting requests for withdrawal of compensation. It is not within the remit of MACT to undertake a deep-dive investigation into the reasons furnished by a claimant, in whose favour compensation has been awarded, which stands confirmed and thereafter, an application seeking release of compensation is filed.

8. Even previously in an order passed on 30th July 2026 in *CM (M) 1666/2026*, this Court had stated as under:

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> "*8. As an additional note, this Court notes yet again that MACTs are holding their hands in releasing compensation to the claimants, who are not only in a genuine need of the same, but are also capable of managing it well. The MACT has instead been directing a MACAD scheme in such matters."*

9. In yet another matter in which there was a settlement between the parties and an application was moved for premature release, by order dated 28th July 2026 in *CM (M) 1635/2026*, this Court noted as under:

> *"6. It is quite surprising that the MACT, despite having benefit of the Pre-Sitting Lok Adalat settlement, chose to be parsimonious and to release only 10% of the awarded amount, while directing the remaining 90% to be kept in an MACAD annuity. No rationale or reason was provided in the impugned order for modifying what had been agreed to by the parties before the Pre-Sitting Lok Adalat. This exhibits a mechanical approach frequently adopted by various MACTs in providing a scheme for release of compensation, rather than determining the impact of a truncated release on the claimants.*"

10. Moreover, reliance can be placed on the decision of Supreme Court in ***Kerala, SRTC v. Susamma Thomas,*** (1994) 2 SCC 176, wherein guidelines were laid down for release and investment of compensation by the MACT. The same are extracted 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.*

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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)

> *"(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;*
>
> *(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;*
>
> *(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;*
>
> *(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,*

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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;

(v) In the case of widows the Claims Tribunal should invariably follow the procedure set out in (i) above;

(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;

(vii) In all cases in which investment in long term fixed deposits is made it should be on condition that the Bank will not permit any loan or advance on the fixed deposit and interest on the amount invested is paid monthly directly to the claimant or his guardian, as the case may be;

(viii) In all cases Tribunal should grant to the claimants liberty to apply for withdrawal in case of an emergency. To meet with such a contingency, if the amount awarded is substantial, the Claims Tribunal may invest it in more than one Fixed Deposit so that if need be one such F.D.R. can be liquidated."

(emphasis added)

11. Further, reliance can also be placed on the decision of Supreme Court in ***A.V. Padma & Ors. v R. Venugopal & Ors*** (2012) 3 SCC 378, which relied on the guidelines given in ***Susamma Thomas*** (*supra*) and stated that there should be no reluctance for release of compensation which is otherwise legitimately owed to the claimant. The relevant paragraphs are extracted as under:

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"***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. 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 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.*

9. *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*

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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."

(emphasis added)

12. The Supreme Court stated that guidelines relating to investment of compensation in long term fixed deposits were intended to safeguard the interests of claimants and not to be applied in a rigid, mechanical or routine manner. MACT is required to examine the application for release on the facts and circumstances before it and exercise judicial discretion after considering the requirements of the claimant(s). It would be a travesty of justice if claimants, who are seeking the money for whatever reason, are stopped from having the benefit of compensation and otherwise having to take loan from other parties in order to manage their affairs.

13. This Court sees no rationality or reason for the MACT to dismiss the present application filed for limited release of money. MACTs ought to keep in mind that the compensation is meant for claimants and is only deposited before the MACT or the Courts in order to ensure that they are not dissipated, or fall into the wrong hands, or are being withdrawn without proper advice or without appreciating the impact on the future by premature withdrawal.

14. Schemes of disbursement, implemented by Tribunals, are intended to ensure safe custody and regulated availability of awarded compensation to beneficiaries over stipulated periods.

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15. To that extent, certain oversight is required by the Courts, but that does not extend to rejecting applications for limited release of amount, particularly, when the claimants state on affidavit that they require money.

16. The vicissitudes of life, throw up myriad situations which require a chunk of money e.g. purchase of property for residential use, educational needs of children, liquidating a mounting debt, a medical situation, a family crisis or any other emergent situation. There is no reason why a claimant cannot dip into the deposits of compensation, made on his behalf, before the Tribunals/Courts, considering that it is the claimants' money, at the end of the day.

17. Rejecting their plea summarily, without application of mind or without considering the sensitivity of needs of claimants, is anathema to the whole jurisprudence of motor accidents claims and compensation.

18. The Court finds that rejections of such applications, for flippant reasons, are frequent, and this kind of approach needs to be recalibrated. The undue paternalistic approach adopted by the MACTs, in this regard, has to be rationalised, and MACTs are well advised to adopt a much more considerate, sensitive and reasonable approach in dealing with applications for release of amount.

19. Depending on facts and circumstances, Tribunals can assure themselves that the claimants are not being mislead by sharks or unscrupulous elements and being forced to withdraw the money to enrich themselves. Interaction with the claimant, physically or through VC, by the Tribunal, can mostly achieve that purpose, and ensure some oversight.

20. Accordingly, the said application is allowed.

21. An amount of *Rs.2,50,000/-* is directed to be released by liquidating

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the proportionate number of FDRs in the designated account of applicant/claimant.

22. Copy of this order be circulated by the Registry to all the MACTs in our jurisdiction, for their information.

23. Copy of this order be given '*dasti*'.

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

ANISH DAYAL, J

SEPTEMBER 16, 2026/RK/*sp*

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