

(2026) 03 UK CK 1358

In the Uttarakhand High Court

Case No : Writ Petition Miscellaneous Single No. 2815 Of 2013

Sumitra Yadav @ Sumetry

APPELLANT

Vs

M.A.C.T. And Others

RESPONDENT

Date of Decision : 24-03-2026

Acts Referred:

Citation : (2026) 03 UK CK 1358

Hon'ble Judges : Pankaj Purohit, J

Bench : Single Bench

Advocate : Rajesh Joshi, Siddhartha Jain

Final Decision : Allowed

Judgement

Pankaj Purohit, J

1. The present writ petition arises out of a situation where the compensation amount awarded in favour of the petitioner by the learned Motor Accident Claims Tribunal in the year 1994, and directed to be kept in a Fixed Deposit Receipt (FDR) till she attained majority, remained unattended, unrenewed and deprived of interest for more than a decade due to gross administrative lapses on the part of the authorities concerned. The petitioner, upon attaining majority, discovered that the F.D.R. prepared in her favour had neither been renewed periodically nor had interest been credited in accordance with the award of the Tribunal. The learned Tribunal, however, by order dated 04.09.2013, rejected her application seeking payment of due interest, compelling the petitioner to invoke the extraordinary writ jurisdiction of this Court.

2. The brief facts of the case are that on 07.11.1991, the father of the petitioner died in a motor accident caused due to the rash and negligent driving of Truck No.URN-9040 near Sarda Chungi, Tanakpur, District Nainital (now Udham Singh Nagar). At the time of the accident, the petitioner was a minor. Her mother, acting on her behalf, instituted a claim petition before the learned Motor Accident Claims Tribunal, Nainital, being MACP No.403 of 1992 (Smt. Manju Devi & Ors.

Vs. Tara Datt & Ors.). The learned M.A.C.T./IVth Additional District Judge, Nainital, vide award dated 30.08.1994, allowed the claim petition and awarded a compensation of ₹ 1,24,600/- along with interest @ 10% per annum in favour of the claimants. Out of the awarded amount, a specific share was directed to be kept in a Fixed Deposit Receipt (F.D.R.) in favour of the present petitioner till she attained majority. In compliance with the said award, the Insurance Company deposited the awarded amount before the Tribunal. The share of the petitioner was accordingly directed to be secured in the form of an F.D.R. under the custody and supervision of the Tribunal. Pursuant thereto, on 17.08.1995, an FDR amounting to ₹ 46,952/- was prepared in Punjab National Bank, Mall Road, Nainital, for a period of two years. The said FDR matured on 17.08.1997, attaining a maturity value of ₹ 59,477/-. However, thereafter, the F.D.R. was neither presented for renewal nor renewed by the authorities concerned. The amount, as later disclosed by the bank, was transferred to an "overdue category account".

3. From the year 1997 onwards, no interest was credited in favour of the petitioner on the matured amount. The F.D.R. remained unattended for several years while the petitioner, being a minor, had no knowledge, control, or access to the said deposit which remained in the custody of the Tribunal. Upon attaining majority, the petitioner approached the learned Tribunal seeking release of the amount. Vide order dated 07.05.2013, the M.A.C.T. permitted the petitioner to withdraw the F.D.R. amount along with interest. However, on 08.05.2013, the bank released only a sum of ₹ 77,569/- in favour of the petitioner. Being surprised at the meagre amount, the petitioner made enquiries and came to know that the FDR prepared in her favour in the year 1995 had not been renewed after its maturity in 1997 and no interest had been credited for a long period extending from 1997 to 2007 and thereafter. The petitioner, therefore, moved an application before the learned M.A.C.T. seeking directions for payment of the entire interest as per the award dated 30.08.1994. In response, the bank filed its reply stating that the F.D.R. was initially prepared for two years as per instructions of the Office of the District Judge and upon its maturity in 1997, the same was not presented for renewal and thus, as per bank guidelines, the amount was kept in an "overdue category account" on which no interest was payable. The bank further relied upon a circular dated 30.03.2011 to justify the subsequent calculation of interest and the amount paid to the petitioner in 2013. The learned M.A.C.T., however, vide order dated 04.09.2013, rejected the petitioner's application for payment of interest, leading to the filing of the present writ petition.

4. Learned counsel for the petitioner submits that the entire episode reflects gross negligence and abdication of statutory duty on the part of the Tribunal machinery and the bank. It is argued that the award dated 30.08.1994 specifically directed that the petitioner's share be kept in F.D.R. till she attained majority. The spirit of such direction, as repeatedly emphasized by the Apex Court in matters of M.A.C.T. compensation, is to protect the amount and ensure

periodic renewal so that the victim receives the benefit of accrued interest. The petitioner, being a minor, had no role, control, or knowledge regarding the F.D.R. The custody of the F.D.R. remained with the Tribunal. Therefore, the burden of renewal and protection of the amount squarely lay upon the respondents.

5. It is submitted by the learned counsel for the petitioner that preparing the F.D.R. for only two years, when the petitioner was a minor of tender age, itself shows non-application of mind and violation of the Tribunal's order. The learned counsel contends that the plea of "overdue category" is wholly untenable because the bank continued to utilize the money while denying interest to the rightful beneficiary. It is further argued that internal circulars of the bank dated 30.03.2011 cannot override the judicial award passed in 1994. The rights of the petitioner flow from the award of the Tribunal and not from subsequent banking circulars.

6. The learned counsel submitted that the rejection of the application by the M.A.C.T. on 04.09.2013 is stated to be arbitrary as the Tribunal failed to appreciate that the lapse occurred within its own supervisory domain and wrongly shifted the burden upon the petitioner. The counsel further submits that she is entitled to interest from the date of creation of F.D.R. till the date of actual payment, as if the FDR had been regularly renewed.

7. Learned counsel for the respondent-Bank submits that there was no negligence on the part of the bank. It is argued that the learned counsel that they merely acted on the instructions of the Office of the District Judge while creating the F.D.R. for two years on 17.08.1995. It is submitted that upon maturity on 17.08.1997, the F.D.R. was not presented before the bank for renewal. As per banking rules, the amount was transferred to an overdue category account on which no interest is payable.

8. The learned counsel contends that the respondent-Bank had no obligation to renew the F.D.R. suo motu in absence of specific instructions from the Tribunal. It is further submitted that in 2011, pursuant to a circular dated 30.03.2011, interest at savings bank rate was calculated for a limited period, and thereafter fresh F.D.R.s were created, leading to payment of ₹ 77,569/- to the petitioner on 08.05.2013.

9. The learned counsel for the respondent-Bank asserts that the petitioner accepted the amount in full and final satisfaction. It is argued that the impugned order dated 04.09.2013 does not suffer from illegality as far as the bank is concerned, and the writ petition is not maintainable against the bank. The learned counsel submits that the grounds taken by the petitioner are misconceived and that the bank cannot be held liable for non-renewal of the F.D.R. which was never presented for renewal by the Tribunal authorities.

10. Having heard learned counsel for the parties at length and upon perusal of the pleadings, affidavits, and documents brought on record, this Court finds that the controversy in the present writ petition lies in a narrow compass, though its

implications are of considerable significance. The issue is not merely whether a Fixed Deposit Receipt (F.D.R.) was renewed or not, but whether compensation amount awarded by a competent Tribunal in favour of a minor claimant, and directed to be protected till attainment of majority, was dealt with in accordance with law. It is not in dispute that vide award dated 30.08.1994 passed by the learned Motor Accident Claims Tribunal, Nainital, compensation was awarded in favour of the petitioner, who was then a minor, with a specific direction that her share be kept in a Fixed Deposit Receipt till she attained majority. It is further admitted on record, including in the counter affidavit filed by the respondent bank, that an F.D.R. of ₹ 46,952/- was prepared on 17.08.1995, but only for a period of two years, which matured on 17.08.1997 with a maturity value of ₹ 59,477/-. It is also not disputed that thereafter the said F.D.R. was never renewed and the amount was transferred by the bank to an "overdue category account". From the pleadings of the respondent bank itself, it stands admitted that no interest was paid on the said amount for a substantial period extending from 1997 till 2008, and thereafter interest was calculated only at the savings bank rate in terms of internal circulars issued in the year 2011. The stand of the bank is that since the FDR was not presented for renewal, the amount was treated as overdue and no interest was payable in accordance with banking guidelines. This Court is unable to accept the said stand.

11. At the outset, it must be noted that the deposit in question was not an ordinary commercial deposit made by a private individual. It was a court-directed deposit arising out of a statutory award passed under the Motor Vehicles Act in favour of a minor claimant. The direction of the Tribunal that the amount be kept in F.D.R. till the petitioner attained majority was not a mere formality but was intended to ensure preservation of the compensation and accrual of interest for the benefit of the minor. Such directions have repeatedly been emphasised by the Hon'ble Supreme Court in the case of General Manager, Kerala SRTC Vs. Susamma Thomas, reported in (1994) 2 SCC 176 and A.V. Padma v. R. Venugopal, reported in (2012) 3 SCC 378, wherein it has been held that compensation awarded to minors must be adequately safeguarded and periodically renewed so as to yield maximum benefit. In the present case, the very preparation of the F.D.R. for a period of two years, when the judicial direction was to secure the amount till the petitioner attained majority, itself reflects non-compliance with the mandate of the award at the threshold. More importantly, after the F.D.R. matured in 1997, no steps were taken to renew the same for several years, despite the fact that the petitioner continued to be a minor. It is borne out from the record that the original F.D.R. remained in the custody of the Tribunal. The petitioner, being a minor, neither had knowledge of the deposit nor any control over its renewal. In such circumstances, the plea taken by the respondent bank that the F.D.R. was not presented for renewal cannot be accepted. The responsibility to ensure renewal of the deposit squarely lay upon the authorities/respondents in whose custody the F.D.R. remained, i.e. the Tribunal machinery, as well as upon the bank which was fully aware that the

deposit was created pursuant to a judicial order for the benefit of a minor.

12. The contention of the bank that the amount was kept in an "overdue category account" and, therefore, no interest was payable, is equally untenable. The classification of a deposit as "overdue" under internal banking procedures may have relevance in the context of ordinary commercial transactions, but the same cannot be applied mechanically to a court-controlled deposit arising out of a judicial award. Internal circulars or administrative guidelines of a bank cannot override, dilute, or defeat the effect of a judicial direction. The rights of the petitioner flow from the award dated 30.08.1994 and not from subsequent circulars issued by the bank. The reliance placed by the respondent bank on circulars dated 30.03.2009, 31.03.2009 and 30.03.2011 is, therefore, misconceived. These circulars, being internal administrative instructions, cannot operate retrospectively so as to deprive the petitioner of interest for the period during which the amount remained under judicial protection. The attempt to restrict the petitioner's entitlement to savings bank rate of interest from 2008 onwards is clearly contrary to the spirit and object of the award. This Court also finds that there has been a clear lapse on the part of the Tribunal machinery. The amount awarded to a minor claimant and kept in fixed deposit under orders of the Tribunal remains under the supervisory jurisdiction of the Court, and it is the duty of the concerned officers, including the Nazir, to ensure that such deposits are properly maintained and periodically renewed. The failure to do so in the present case amounts to gross administrative negligence. Thus, the present case reveals a systemic failure involving both the Tribunal machinery and the respondent bank. While the Tribunal failed to exercise due supervision over the deposit kept in its custody, the bank failed to act in a manner consistent with the nature of the deposit and the purpose for which it was created. The petitioner, being a minor at the relevant time, cannot be made to suffer for such institutional lapses. The plea of the respondent bank that the petitioner accepted the amount in "full and final satisfaction" is also liable to be rejected. The record indicates that the petitioner became aware of the irregularities only upon withdrawal of the amount, and there is nothing to show that such acceptance was made with full knowledge of her legal entitlement.

13. This Court further finds that the respondent bank, despite being aware that the Fixed Deposit Receipt had been created pursuant to a judicial order in favor of a minor claimant, failed to intimate the Tribunal upon its maturity in 1997. The bank could not have treated such a deposit as an ordinary commercial transaction and remained passive. The transfer of the said amount into an "overdue category account", coupled with its prolonged retention without payment of appropriate interest, reflects clear lapse in the responsibility. Furthermore, the deposit having remained in the custody of the Tribunal, it was incumbent upon it to ensure its proper maintenance and periodic renewal in terms of the award. The failure to do so discloses a systemic lapse on the part of both the bank and the Tribunal authorities, for which the petitioner cannot be made to suffer.

14. Therefore, in the considered opinion of this Court, the petitioner is entitled to be placed in the same position in which she would have been, had the FDR been properly maintained and periodically renewed in terms of the award. The just and equitable course, therefore, is to direct re- calculation of the amount by treating the deposit as having been continuously renewed from time to time at the applicable term deposit rates.

15. This Court holds that the liability to compensate the petitioner for the loss of interest is joint and several upon the respective respondents all of whom failed in discharging their respective duties.

16. Accordingly the writ petition is allowed. The impugned order dated 04.09.2013 passed by the learned Motor Accident Claims Tribunal is hereby set aside.

17. The respondent bank is directed to re-calculate the amount payable to the petitioner by computing interest on the original F.D.R. amount from 17.08.1995 till 08.05.2013, treating the deposit as if it had been regularly renewed from time to time at the prevailing term deposit rates of nationalized banks applicable during the relevant period.

18. After adjusting the amount of ₹ 77,569/- already paid to the petitioner, the balance amount shall be paid to the petitioner within a period of two months from the date of production of a certified copy of this order. The respective respondents shall jointly and severally be liable to pay the balance amount to the petitioner.

19. The amount so determined shall further carry interest @ 10% per annum from the date of this judgment till actual payment.