HIGH COURT OF JAMMU &KASHMIR AND LADAKH
AT JAMMU
…

Mac App No. 175/2024

Reserved on: 10.07.2026
Pronounced on: 17.07.2026
Uploaded on: 17.07.2026

Whether the operative part or full
Judgment is pronounced: **Full**

United India Insurance Co. ltd.

…….Petitioner(s)

Through: Ms. Damini Singh Chauhan, Adv.

Versus

Ghulam Ali and ors.

…..Respondent(s)

Through: Mr. Irfaan Khan, Advocate

CORAM:HON'BLE MR JUSTICE RAJNESH OSWAL, JUDGE

JUDGMENT

1. The instant appeal is directed against the award/judgment dated 02.07.2024 passed by the learned Presiding Officer, Motor Accidents Claims Tribunal (Additional District Judge, Anti-Corruption), Jammu (hereinafter referred to as "the Tribunal") in a claim petition titled *"Ghulam Ali v. United India Insurance Company Limited and Others*", bearing File No. MACT (Civil)/31/2022. By the impugned award, the learned Tribunal allowed the claim petition filed by respondent No. 1 and awarded compensation of ₹29,44,482/- (after deducting the interim compensation, if any, already paid), along with simple interest at the rate of **7**.5% per annum from the date of filing of the claim petition till its realization. The appellant–Insurance Company has further been directed to satisfy the said award.

2. The appellant/Insurance Company has raised the following issues for consideration of this Court:

   i. Whether learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, was justified in calculating the compensation in favour of the claimant/respondent No. 1 while taking "Permanent Disability" as 85% of whole body instead of 85% of "Right Lower Limb" as assessed by Medical Certificate and when considered in context of the whole body, disability suffered by the Claimant/Respondent No. 1 was required to be taken as less than 40 percent?

   ii. Whether learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, was justified in equating "Permanent Disability" of the limb to be the "Functional Disability" and could it be assumed to result in a corresponding extent of "Loss of Earning Capacity", as the disability has not prevented him from carrying on his activities normally though it might impede in his smooth functioning?

   iii. Whether the learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, while awarding compensation resulting from the vehicular accident can allow interest under the Heads "For future Income" in injury case resulting from the vehicular accident?

   iv. Whether the Learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, while awarding compensation resulting from the vehicular accident can allow interest at the rate of 7.5% per annum especially when with the change in economy the banks have lowered the rates of interests on fixed deposits?

v. Whether the compensation awarded is just, reasonable and based on reliable evidence?

3. Before considering the issues raised by the appellant, it is deemed appropriate to take note of the facts necessary for the adjudication of the aforesaid issues.

4. Respondent No. 1, aged about 63 years, filed the claim petition seeking compensation for the injuries sustained by him in a vehicular accident that occurred on 19.10.2021 within the jurisdiction of Police Station, Nagrota. In the said accident, respondent No. 1 suffered permanent disability, which was assessed at 85% by Dr. Mohd. Rafiq**,** Orthopaedic Surgeon. As per the disability certificate, respondent No. 1 suffered *an above-knee amputation of the right lower limb with a short stump, stiffness and equinus deformity of the left foot, and flexion deformity of the left great toe.* The disability certificate, exhibited as EXTP-MR**,** further records that the injuries suffered by respondent No. 1 have resulted in total disablement**.**

5. The claim petition was contested by the appellant–Insurance Company as well as respondent Nos. 2 and 3. In support of his claim, respondent No. 1 examined himself, Dr. Mohd. Rafiq, Orthopaedic Surgeon, and PW Mohd. Faizan. On the other hand, the appellant–Insurance Company did not lead any evidence in rebuttal.

6. The learned Tribunal, after taking note of the permanent disability of 85% suffered by respondent No. 1, allowed the claim petition and awarded compensation to the tune of ₹29,44,482/**-** under the following heads:

1.	Loss of future income to the petitioner=	₹ 26,59462/-
2.	Medical Expenses =	₹ 57,000/-
3.	Special Diet =	₹ 10,000/-
4.	Transportation Charges =	₹. 18000/-
5.	Attendant Charges =	₹ 1,80,000/-
6.	Pain and Suffering =	₹ 20,000/-
	Total =	₹ 29,44,482/-

7. Learned counsel for the appellant submitted that the compensation awarded by the learned Tribunal is excessive and contrary to the settled principles governing the assessment of compensation under the Motor Vehicles Act. She further contended that the Tribunal failed to properly assess the functional disability and its impact on the earning capacity of respondent No. 1 while determining the compensation. In support of her submissions, learned counsel placed reliance upon the judgment of the Hon'ble Supreme Court in "**Raj Kumar v. Ajay Kumar and another**", (2011) ACJ 1, as well as the judgment of this Court in "**United India Insurance Co. Ltd. v. Madan Lal and others**", 2014(1) JKJ (HC).

8. Per contra, learned counsel for respondent No. 1 submitted that the award passed by the learned Tribunal is just, fair, and in accordance with law, warranting no interference by this Court. He further urged that the compensation awarded is in accordance with the nature of the injuries, the permanent disability suffered by respondent No. 1 and loss of income suffered by him. In support of his submissions, learned counsel placed reliance upon the judgments of the Hon'ble Supreme Court in "**R. Halle v. Reliance General Insurance Company Ltd".**, 2026 LiveLaw (SC) 261; "**Sarnam Singh v. Shriram General Insurance Co. Ltd. and others**", 2023 LiveLaw (SC) 498; "**M. Paramesh v. VRL Logistics**

Ltd. and another", 2026 INSC 655; and "**Shankar Dutt v. United India Insurance Co. Ltd. and others"**, 2026 Supreme (SC) 726.

9. Since Issue Nos. 1 and 2 are interrelated, they are taken up for consideration together. The said issues are reproduced hereunder:

<u>Issue Nos. (i) & (ii)</u>

i. Whether learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, was justified in calculating the compensation in favour of the claimant/respondent No. 1 while taking "permanent Disability" as 85% of whole body instead of 85% of "Right Lower Limb" as assessed by Medical Certificate and when considered in context of the whole body, disability suffered by the Claimant/Respondent No. 1 was required to be taken as less than 40 percent?

ii. Whether learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, was justified in equating "Permanent Disability" of the limb to be the "Functional Disability" and could it be assumed to result in a corresponding extent of "Loss of Earning Capacity", as the disability has not prevented him from carrying on his activities normally though it might impede in his smooth functioning?

10. Learned counsel for the appellant contended that respondent No. 1 had suffered 85% permanent disability only in relation to the right lower limb, and that disability, when assessed with reference to the whole body, the extent of disability ought to have been taken as less than 40%**.** It was further argued that the learned Tribunal was not justified in equating the permanent physical disability of the affected limb with the functional disability, as the injuries sustained by respondent No. 1 had

not rendered him incapable of carrying on his day-to-day activities, though the injuries may cause him some difficulty.

11. A perusal of the statement of respondent No. 1 reveals that he categorically deposed that, prior to the accident, he was running a *Karyana* shop in the Main Market, Gool, District Ramban, and was earning approximately ₹50,000/- per month. He further stated that he was a GST-registered dealer and had to close his shop on account of the permanent disability suffered by him in the accident. He deposed that he is now completely dependent on others for his daily needs and has engaged two permanent attendants to look after him, as he is unable even to fetch a glass of water or attend to the call of nature without assistance. During his cross-examination, he remained consistent and reiterated that he had closed his shop after the accident. Thus, it is evident that the business of the respondent No.1 is closed after the accident.

12. Hon'ble the Supreme Court of India, in **"Sarnam Singh vs. Shriram General Insurance Co. ltd. and ors". 2023 LiveLaw (SC) 498**, has observed as under:

> "9.As to how compensation, in case where permanent disability of an injured affects his functional disability, is to be assessed has been considered by this Court, repeatedly. Reference can be made to the judgment of this Court in Mohan Soni vs. Ram Avtar Tomar And Others. In the aforesaid case the injured was working as a cart puller. As a result of the accident, his left leg was amputated. His permanent disability was assessed at 60%. **The Tribunal assessed the compensation taking the loss of earning at 50% on the theory that he can still do some other work while sitting. The High Court did not disturb the finding regarding loss of income on account of disability. This Court found that the Tribunal was in error in taking the loss of earning at 50% as the injured was 55 years of age and it may be difficult for him to find a job at that stage. In fact, any physical disability resulting from an accident has to be judged with reference to the nature of the work being performed by the person who suffered disability. The same injury suffered by two different persons may affect them in**

> **different ways. Loss of leg by a farmer or a rickshaw puller may be end of the road as far as his earning capacity is concerned. Whereas, in case of the persons engaged in some kind of desk work in office, loss of leg may have lesser effect. This Court enhanced the loss of earning capacity from 50% to 90%.**
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> 10. Applying the same principle to the case in hand, **we find that the appellant herein was working as a gunman with Bharat Hotel Limited. On account of amputation of his right leg above the knee, he was terminated from service w.e.f. 31.05.2015. It is not a matter of dispute that a person with his right leg amputated cannot perform the duty of a gunman. This is his functional disability. He was 50 years & 5 months old at the time of accident. Considering the aforesaid facts, in our view, the Tribunal was right in assessing the loss of earning capacity of the appellant at 100% and assessing the compensation accordingly. The High Court was in error in reducing the loss of earning capacity to 80%, relying upon the judgment of High Court, despite there being a judgment of this Court available on the issue**."

13. In "**R. Halle vs. Reliance General Insurance Company ltd.", 2026 Live Law (SC) 261**, the Hon'ble Supreme Court held as under:

> "21. **However, the High Court, while observing that physical disability cannot be mechanically equated with functional disability, reduced the functional disability suffered by the appellant-claimant from 63% to 30% without adverting in detail to the medical evidence on record, particularly the findings of the Medical Board and the neuropsychological report evidencing cognitive deficits suffered by the appellant-claimant as a consequence of the injuries suffered in the accident. No independent contra material was placed on record by the respondent- insurer to displace the evidentiary value of the disability certificate. In our considered view, such reduction of the functional disability, in the absence of convincing evidence impeaching the credibility of the medical certificates placed on record by the appellant-claimant and without assigning cogent reasons, was not at all justified.** For ready reference, the relevant extract from the impugned judgment is reproduced herein below: -
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> > "10. According to the claimant he was earning a sum of Rs.29,108/- per month by working as a Manager in a private concern, which has been proved through Exs.21 to 25. Thus, the Tribunal has arrived the amount under the head of loss of earning power, by multiplying the disability as 63%. It appears to be on the higher side. **Though the Medical Board has assessed the physical disability of the claimant as 63%, after going through the records, we have come to the conclusion that the functional disability suffered by the claimant would be 30%.** After adding 40% towards future prospectus, the total income of the claimant is arrived at Rs.40,751/-, rounded off to Rs.40,000/-. Thereby, the

> claimant is entitled for an amount of Rs.24,48,000/- (Rs.40,000/- x 12 x 30% x 17); Rs.1,00,000/- for Loss of amenities; Rs.2,00,000/- under Pain and sufferings; since the claimant was unmarried at the time of accident and sustained grievous injuries in the accident, an amount of Rs.2,00,000/- is granted towards loss of marital prospectus; The amounts awarded under the heads of Medical expenses, Transportation to hospital, Extra nourishment and Damage to clothing and articles are confirmed."
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> 22. A careful reading of the aforesaid extract indicates that the High Court merely adverted to the general principles governing assessment of disability and, without undertaking any independent analysis of the evidence on record, abruptly concluded that the functional disability suffered by the appellant- claimant would be 30%. There is no discussion as to why the medical findings, the disability certificate issued by the competent Medical Board, or the neuropsychological report were doubtful or insufficient to sustain the conclusion reached by the MACT. Equally, while reducing the quantum of compensation, no specific or cogent reasons have been assigned for curtailing the amounts awarded under the heads of "Loss of Amenities" and "Pain and Suffering," which were based on the nature and gravity of the injuries sustained by the appellant- claimant. In our considered opinion, such conclusions, abruptly arrived at without proper re-appreciation of the evidence and without recording adequate reasons, are in the nature of presumptions and assumptions and cannot be sustained in the eyes of law.

23. Ordinarily, where a Court exercising appellate jurisdiction reverses or modifies a finding of fact recorded by the Court of first instance without a proper re-appreciation of the evidence or without assigning cogent reasons, this Court would be justified in setting aside the impugned judgment and remitting the matter for fresh consideration on merits and in accordance with law. In the present case, the assessment of functional disability, which had a direct bearing on the determination of just compensation, necessarily required a careful scrutiny of the medical evidence and its impact on the avocation of the injured. The failure to undertake such an exercise would, in the normal course, warrant a remand.

24. However, we cannot be oblivious of the fact that the accident occurred in the year 2016 and that the appellant-claimant has been engaged in litigation for nearly a decade, first before the MACT, thereafter before the High Court and now before this Court. A remand at this stage would only prolong the proceedings and compound the agony alreadysuffered by the appellant-claimant. In these circumstances, in order to do complete justice between the parties, we deem it appropriate to examine the issue on merits and determine the issue of functional disability on the basis of the material available on record.

25. In order to determine the functional disability suffered by the appellant-claimant, it is necessary to advert to the findings

recorded by the Medical Board with respect to the permanent physical disability, as well as the neuropsychological assessment report placed on record. Both these documents remained uncontroverted and hence, they provide credible expert evidence so as to assess the extent and nature of disability. The true nature and extent of the injuries, and their impact on the cognitive and functional abilities of the appellant-claimant, can be properly appreciated only upon a careful consideration of these materials. For ready reference, the relevant extracts from the said documents are reproduced herein below: -

"Neuropsychological Assessment Report: Interpretation & Conclusion
• Memory Scale shows that his verbal and Visual memory is impaired severely.
•On tests for frontal lobe functioning-impairment.
• On the test for parietal lobe functioning, normal performance shows that the lobe function is intact.
The IQ range of 65,fall into the category of Mild Intellectual Disability. Report of the Medical Board.
Case of Head injury treated conservatively, facial injury x left femur fracture treated by surgical intervention. **Above injury has resulted in partial blindness, cognitive impairment and partial lom of Rom and stability of left knee.**
His disability due to above injuries sixty three percent (63%)."
[Emphasis supplied]

26. Having bestowed our anxious consideration to the material placed on record, we find that the disability certificate issued by the Medical Board clearly records that the appellant-claimant had suffered a head injury treated conservatively, facial injury, and left femur fracture treated by surgical intervention. These injuries progressively resulted in partial blindness, cognitive impairment and partial loss of range of motion and stability of the left knee. The neuropsychological assessment further evidences severe impairment in verbal and visual memory, impairment of frontal lobe functions and an IQ score of 65, placing the appellant-claimant in the category of Mild Intellectual Disability. These findings, read conjointly, demonstrate that the injuries suffered by the appellant-claimant were not merely orthopedic in nature, but had significant neurological sequelae directly impacting his functional and cognitive abilities.

27. This Court, in Raj Kumar v. Ajay Kumar9, has authoritatively laid down the principles governing assessment of permanent and functional disability for the purpose of awarding compensation. **It has been held that the percentage of permanent disability assessed by a medical expert cannot be mechanically equated with the percentage of loss of earning capacity. What is required to be determined is the actual impact of such disability on the earning capacity of the injured, having regard to his avocation, age and the nature of work performed. The Tribunal is required to undertake a structured analysis to ascertain the activities the claimant can or cannot perform post-injury, the nature of his profession prior to the accident, and whether the disability has resulted in total incapacity or merely restricted or**

reduced earning capacity. For ready reference, the relevant extracts from the said judgment are reproduced hereinbelow: -

“9. The percentage of permanent disability is expressed by the doctors with reference to the whole body, or more often than not, with reference to a particular limb. **When a disability certificate states that the injured has suffered permanent disability to an extent of 45% of the left lower limb, it is not the same as 45% permanent disability with reference to the whole body. The extent of disability of a limb (or part of the body) expressed in terms of a percentage of the total functions of that limb, obviously cannot be assumed to be the extent of disability of the whole body. If there is 60% permanent disability of the right hand and 80% permanent disability of left leg, it does not mean that the extent of permanent disability with reference to the whole body is 140% (that is 80% plus 60%). If different parts of the body have suffered different percentages of disabilities, the sum total thereof expressed in terms of the permanent disability with reference to the whole body cannot obviously exceed 100%.**

“10. Where the claimant suffers a permanent disability as a result of injuries, the assessment of compensation under the head of loss of future earnings would depend upon the effect and impact of such permanent disability on his earning capacity. The Tribunal should not mechanically apply the percentage of permanent disability as the percentage of economic loss or loss of earning capacity. In most of the cases, the percentage of economic loss, that is, the percentage of loss of earning capacity, arising from a permanent disability will be different from the percentage of permanent disability. Some Tribunals wrongly assume that in all cases, a particular extent (percentage) of permanent disability would result in a corresponding loss of earning capacity, and consequently, if the evidence produced show 45% as the permanent disability, will hold that there is 45% loss of future earning capacity. In most of the cases, equating the extent (percentage) of loss of earning capacity to the extent (percentage) of permanent disability will result in award of either too low or too high a compensation.

11. What requires to be assessed by the Tribunal is the effect of the permanent disability on the earning capacity of the injured; and after assessing the loss of earning capacity in terms of a percentage of the income, it has to be quantified in terms of money, to arrive at the future loss of earnings (by applying the standard multiplier method used to determine loss of dependency). We may however note that in some cases, on appreciation of evidence and assessment, the Tribunal may find that the percentage of loss of earning capacity as a result of the permanent disability, is approximately the same as the percentage of permanent disability in which case, of course, the Tribunal will adopt the said percentage for determination of compensation. (See for example, the decisions of this Court in Arvind Kumar Mishra v. New India Assurance Co. Ltd. [(2010) 10 SCC 254 : (2010) 3 SCC (Cri) 1258: (2010) 10 Scale 298] and Yadava Kumar v. National Insurance Co. Ltd. [(2010) 10 SCC 341 : (2010) 3 SCC (Cri) 1285 : (2010) 8 Scale 567]) [……]

> 13. Ascertainment of the effect of the permanent disability on the actual earning capacity involves three steps. The Tribunal has to first ascertain what activities the claimant could carry on in spite of the permanent disability and what he could not do as a result of the permanent disability (this is also relevant for awarding compensation under the head of loss of amenities of life). The second step is to ascertain his avocation, profession and nature of work before the accident, as also his age. The third step is to find out whether (i) the claimant is totally disabled from earning any kind of livelihood, or (ii) whether in spite of the permanent disability, the claimant could still effectively carry on the activities and functions, which he was earlier carrying on, or (iii) whether he was prevented or restricted from discharging his previous activities and functions, but could carry on some other or lesser scale of activities and functions so that he continues to earn or can continue to earn his livelihood."
>
> [Emphasis supplied]
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> 28. In view of the principles laid down by this Court in Raj Kumar (supra), as consistently affirmed thereafter, **the assessment of functional disability must be grounded in a realistic appraisal of the impact of the injury on the claimant's capacity to earn.** The inquiry is not confined to the numerical percentage of physical impairment certified by the Medical Board, but extends to evaluating whether the claimant, in light of his educational background, skill set and nature of employment, is capable of meaningfully pursue his avocation."

14. Further, in **"M Paramesh vs. VRL Logistics ltd. and another**, 2026 INSC 655, the Hon'ble Supreme Court has held as under:

> "By virtue of the aforesaid amputation, the appellant has effectively lost his capacity to continue the work of a mason, which was admittedly the sole avocation being pursued by him for earning his livelihood. It is not even the case of the respondents that the appellant was engaged in any other sedentary occupation or that despite the amputation suffered by him, his earning capacity remained unaffected."

15. The ratio laid down in the aforesaid judgments is that the assessment of functional disability must be determined on the basis of the impact of the injuries on the claimant's earning capacity and is not confined to the numerical percentage of permanent physical disability certified by the Medical Board. Applying the ratio laid down in the aforesaid judgments to the facts of the present case, this Court finds no infirmity in the compensation awarded by the learned Tribunal towards loss of future income of respondent No.1. The learned Tribunal has assessed

the compensation by taking the functional disability of respondent No. 1 at 85% of his annual income of Rs. 4,46,972/- as per ITR for the year 2019-2020, notwithstanding the statement made by the respondent No.1 that after accident, he has closed the shop and there is no evidence in rebuttal. The determination of annual income by the learned Tribunal has not at all been disputed by the appellant. Furthermore, the Tribunal has applied the multiplier of 7 in accordance with the principles laid down by the Hon'ble Supreme Court in **Sarla Verma v. Delhi Transport Corporation**, (2009) 6 SCC 121. Accordingly, Issue Nos. 1 and 2 are answered against the appellant.

Issue No. (iii)

Whether the learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, while awarding compensation resulting from the vehicular accident can allow interest under the Heads "For future Income" in injury case resulting from the vehicular accident?

16. The Hon'ble Supreme Court, in **Shankar Dutt v. United India Insurance Co. Ltd. and others; 2026 SCC OnLine SC 1**193, awarded the interest on the future earnings also, besides compensation under other heads. In T**he Oriental Insurance Co. Ltd. v. Niru @ Niharika & Ors., 2025 INSC 822**, the Hon'ble Apex Court has held as under:

> **"9. A very relevant issue agitated by the Insurance Company is the illegality in awarding interest for future prospects, which in any event is an amount received in advance, normally inuring to the benefit of the claimants only in future.** This is the only contention taken in the connected appeal bearing SLP(C) No. 22136 of 2024. We find absolutely no reason to accept this argument. In SLP(C) No. 11340 of 2020, the multiplier applied looking at the life span of the deceased

> and the claimants is 13. Before the Tribunal itself, the case was pending for 12 years and the only amount received by the claimants was Rs. 50,000/-. Hence though amounts are awarded for future prospects taking the multiplier of 13; in effect, the money is received only after the period for which the multiplier is adopted. Similar is the case in SLP(C) No. 22136 of 2024 where the accident occurred in 2018, the multiplier applied is 17 and we are seven years from the date of accident.
>
> **10. We cannot but observe that there was nothing stopping the Insurance Company from settling the claim on a computation, on receipt of intimation of the accident, especially since the determination of compensation for loss of dependency, on death being occasioned in a motor vehicle accident, can be determined as evident from the judicial precedents; at least provisionally.**
>
> **11. In fact, it is due to the repudiation of or refusal to consider the claim that the claimants are driven to the Tribunal. When the matter is pending before the Tribunal or in appeal before the higher forums, the claimants are deprived of the compensation for future prospects. If they are paid in time, it could be utilized by the claimants and on failure, the loss of dependency would force the claimants to source their livelihood from elsewhere. This is sought to be compensated at least minimally by award of interest, which oftener them ever is nominal also since only simple interest is awarded. If the amounts were disbursed to the claimants on a rough calculation, on intimation of the accident to the Insurance Company, subject to the award of the Tribunal, necessarily there would not have been any interest liability atleast to the extent of the disbursement made. Hence, we reject the contention and direct that the entire award amounts would be paid with interest at the rate of 9% from the date of filing of the claim till the date of disbursement, deducting only Rs. 50,000/- granted as interim compensation,** in SLP(C) No. 11340 of 2020 and 6% in SLP(C) No. 22136 of 2024 as awarded by the High Court; deduction to be made for the amounts already paid."

17. In the present case, accident took place in the year 2021, and multiplier of 7 has been employed by the learned Tribunal for determining the compensation. The case has remained pending before the court for **4** years. In view of the aforesaid, the award of interest on the future

earnings does not call for any interference. Accordingly, Issue No. 3 is answered against the appellant.

Issue No. (iv)

Whether the Learned Presiding Officer, Motor Accidents Claims Tribunal, Jammu, while awarding compensation resulting from the vehicular accident can allow interest at the rate of 7.5% per annum especially when with the change in economy the banks have lowered the rates of interests on fixed deposits?

18. The Hon'ble Supreme Court, in T**he Oriental Insurance Co. Ltd. v. Niru @ Niharika & Ors (supra**), has observed as under:

> "Further contention taken is the higher rate of interest of 9%, in challenge of which several precedents were placed before us. From the decisions perused what emanates is that in the 1980's, Courts were awarding 12% interest which stood reduced to 9% in the 1990's. With the advent of the 21st century and the economic recession world over, the interest rates fell considerably. But even now the rates offered by National Banks for long term deposits are 7% or more. Considering the over-all circumstances especially the long delay caused, we are of the opinion that 9% interest rate granted by the Tribunal is perfectly in order especially noticing the accident having occurred in the year 1995."

19. In the present case, the learned Tribunal has awarded interest at the rate of 7.5% per annum only. Therefore, this Court finds no infirmity or legal error in the award of interest at the rate of 7.5% per annum by the learned Tribunal. Accordingly, this issue is answered against the appellant-Insurance Company.

Issue No. (v)

Whether the compensation awarded is just, reasonable and based on reliable evidence?

20. As already discussed hereinabove, the compensation awarded by the learned Tribunal is based on a proper appreciation of the evidence on record and the settled principles governing the assessment of compensation under the Motor Vehicles Act. The amount awarded cannot be said to be either inadequate, excessive, arbitrary, or otherwise unjust or unreasonable so as to warrant interference by this Court. Accordingly, no case is made out for modification or enhancement of the compensation awarded by the learned Tribunal. Hence, this issue is answered accordingly.

21. In view of the foregoing discussions and the findings recorded hereinabove, this Court is of the considered view that the present appeal is misconceived and devoid of any merit. The compensation awarded by the learned Tribunal has been found to be just and reasonable, and the findings recorded therein are based upon proper appreciation of the material available on record. Accordingly, no ground is made out for any modification or interference with the impugned award. Accordingly, the present appeal is **dismissed.** The amount deposited with the Registry of this Court shall be released in favour of respondent No. 1 in accordance with the directions contained in the award passed by the learned Tribunal, subject to payment of the requisite court fee, if any.

(Rajnesh Oswal)
Judge

Jammu
17.07.2026
Karam Chand

Whether approved for reporting: Yes/No