
(1970) 02 MAD CK 0017
In the Madras High Court
Case No : A.A.O. No. 149 of 1965

Jayalakshmi and Others

APPELLANT

Vs

The Ruby General Insurance Co., Madras and Another

RESPONDENT

Date of Decision : 03-02-1970

Acts Referred:

Motor Vehicles Act, 1939 — Section 125, 2, 94, 95, 95(1)

Citation : AIR 1971 Mad 143 : (1971) 41 CompCas 194 : (1970) ILR (Mad) 703 : (1970) 83 LW 585 : (1971) 2 MLJ 1

Hon'ble Judges : K. Veeraswami, C.J; Nathan, J; Gokulakrishnan, J

Bench : Full Bench

Judgement

Natesan, J.—This reference to the Full Bench arises out of a proceeding before the Motor Accidents Claims tribunal, Madras, for

compensation in respect of an accident involving the death of one Krishnaswami. It is the case of the claimants for compensation, that when the

said Krishnaswami was driving his car along Mount Road, the lorry belonging to the second respondent, driven in a rash and negligent manner by

her driver Munuswami, dashed against his car, as a result of which Krishnaswami died. While the Claims Tribunal dismissed the application for

compensation, the Division Bench (Kailasam and Venkataraman, JJ.) have taken the view that a compensation of Rs. 40,000 would be payable to

the claimants. On behalf of the Insurance company with whom the lorry had been insured, it was contended before the learned Judges that u/s

95(2)(a) of the Motor Vehicles Act, Act IV of 1939 the liability of the Insurance Company must be limited to a sum of Rs. 20,000, the vehicle

involved being a goods vehicle. The learned Judges are inclined to accept this contention and have referred the matter to the Full Bench, in view of

the Division Bench decision of this court in K. Gopalakrishnan Vs. Sankara Narayanan and Others, , where the learned Judges (Srinivasan and

Sadasivam, JJ.) have held that the liability of an Insurance Company in respect of injury to a third party is not subject to the limit of Rs. 20,000

under s., 95(2)(a) of the Act. Examining the relevant provisions of the Motor Vehicles Act at length and setting out reasons for their view contrary

to that taken in K. Gopalakrishnan Vs. Sankara Narayanan and Others, the following question has been referred to the Full Bench-

Where an Insurance Company insures the owner of a goods vehicle under S. 95 of the Motor Vehicles Act, 1939 against the liability which the

owner may incur in respect of the death of a person (third party) caused by the use of the vehicle in a public place, the policy being simply one

conforming to the requirements of the Act (and not beyond them) is the liability of the insurance company limited to Rs. 20,000 (Rs. twenty

thousand) u/s 95(2)(a) of the Act?

During the hearing of the matter before us, a doubt was raised whether the insurance policy in question in the case, is what is commonly termed as

Act policy"" that is, a policy conforming to the minimum requirements of the comprehensive policy which inter alia does not limit the extent of the

liability covered. The insurance policy itself has not been exhibited in the case, and, as the question referred proceeds on the assumption that the

policy in question is one limited to the terms of the Act, we examine the matter on that basis. There can be no doubt that it is perfectly open to the

owner of a vehicle to take out an insurance policy which goes beyond the terms of the Act and covers more risk than what is required to be

covered by the Act. The provisions for compulsory insurance against third party risks from the user of the motor vehicle in a public place are

placed under Ch. VII of the Motor Vehicles Act, 1939. By these provisions by compelling owners, users or drivers of motor vehicles to protect

themselves against financial risks arising out of accidents which they may incur, the ability of third parties to get damages is not made wholly

dependent on the financial condition of the owner, user or driver of the vehicle.

Section 94 emphasises the necessity for insurance against third party risk by prohibiting in mandatory terms the use of a motor vehicle by any

person in a public place, unless there is in force in relation to the use of the

vehicle by that person or other person as the case may be a policy of insurance complying with the requirements of Ch. VIII. There are certain exceptions in Section 94; but a reference to them is unnecessary in the context of the question now under consideration. Section 125 which provides penalties for contravention of the provisions of Section 94, states that whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in contravention of the provisions of Section 94 shall be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both. In interpreting the provisions of the Chapter, we have to bear in mind both the apparent object of the enactment and the penal consequence following the failure to make out an insurance policy in terms of the Chapter.

2. S. 95, sub-secs. (1) and (2) lay down the requirements to be complied with by an insurance policy taken in accordance with Chapter VIII for the use of a particular vehicle. The policy has to be issued by an authorised insurer and it must specify the person or classes of persons who are insured against liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of the vehicle in a public place in India or in a reciprocating territory. The policy must insure to the extent of the liability specified in sub-section (2). Sub-section (4) of Section 95 requires the issue by the Insurance Company of a certificate of insurance in the prescribed form in favour of the person for whom the policy is effected. Sub-section (5) of Section 95 makes the insurer liable to indemnify the person or classes of person specified in the policy in respect of any liability which the policy purports to cover, notwithstanding anything elsewhere contained in any law. Section 96 makes it the duty of the insurer to satisfy judgments against persons insured in respect of third party risks as if he were the judgment-debtor. The provision as to insuring a person or classes or persons found in Section 95 means that the insurance policy gives to the person or classes of persons insured the right to enforce against the insurer the undertaking which the policy gives in respect of the liability incurred by the assured. Sub-section (2) of Section 95 is the section that really calls for interpretation now. For taking it up as it is necessary we shall set out the relevant parts of Section 95 having a bearing on the question:-

Section 95(1). In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which--

(a) is issued by a person who is an authorised insurer....

(b) insures the person or classes of persons specified in the policy to the extent specified in sub-section (2) against any liability which may be

incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of the vehicle in a public place

in India or in reciprocating territory;

Provided that a policy shall not be required--

(i) to cover liability in respect of the death arising out of and in the course of his employment, of the employee of a person insured by the policy or

in respect of bodily injury sustained by such an employee arising out of and in the course of his employment other than a liability arising under the

Workmen's Compensation Act, 1923, in respect of the death of, or bodily injury to, any such employee

(a) engaged in driving the vehicle, or

(b) if it is a public service vehicle, engaged as conductor of the vehicle or in examining tickets on the vehicle, or

(c) if it is a goods vehicle, being carried in the vehicle, or

(ii) except where the vehicle is a vehicle in which passengers are carried for hire or reward or by reason of or in pursuance of a contract of

employment, to cover liability in respect of the death of or bodily injury to persons being carried in or upon or entering or mounting or alighting

from the vehicle at the time of the occurrence of the event out of which a claim arises, or

(iii) to cover any contractual liability.

(2) Subject to the proviso to sub-section (1) a policy for insurance shall cover any liability incurred in respect of any one accident upto the

following limits namely--

(a) Where the vehicle is a goods vehicle a limit of twenty thousand rupees in all, including the liabilities, if any, arising under the Workmen's

compensation Act, 1923, in respect of the death of, or bodily injury to, employees (other than the driver) not exceeding six in number being carried

in the vehicle;

(b) Where the vehicle is a vehicle in which passengers are carried for hire or reward or by reason of or in pursuance of a contract of employment,

in respect of persons other than passengers carried for hire or reward a limit of twenty thousand rupees; and in respect of passengers, a limit of

twenty thousand rupees in all, and four thousand rupees in respect of an individual passenger, if the vehicle is registered to carry not more than six

passengers excluding the driver or two thousand rupees in respect of an individual passenger, if the vehicle is registered to carry more than six

passengers excluding the driver.

(c) Where the vehicle is a vehicle of any other class the amount of the liability incurred;

(4)

(4-A)

(5)

3. The meaning of the several expressions found in the section. "goods vehicle", "public service vehicle" and "passengers carried for hire or reward

may be gathered from the definitions in Section 2 and other provisions of the Act. "Goods vehicle" is defined to mean any motor vehicle constructed

or adapted for use for the carriage of goods, or any motor vehicle not so constructed or adapted, when used for the carriage of goods, solely or in

addition to passenger. The body of sub-section (2) of Section 95, clauses (a), (b) and (c) limits the liability incurred in respect of any one accident

with reference to the vehicle insured. When it is a goods vehicle, the policy of insurance need cover, for compliance with chapter VIII, a liability to

a limit of Rs. 20,000 in all, including a liability, if any arising under the Workmen's Compensation Act, 1923, in respect of the death of, or bodily

injury to, employees other than the driver not exceeding six in number being carried in the vehicle. In the case of vehicles carrying passengers for

hire or reward or by reason of or in pursuance of a contract of employment under sub-section (2), clause (b), there is an over-all limit of Rs.

20,000 in the case of persons other than passengers who are being carried for hire or reward and Rs. 20,000 in the case of passengers.

Here, if the vehicle is registered for carrying passengers not more than six, the maximum liability in respect of an individual passenger is Rs. 4000

and in any other case Rs. 2000. Clause (c) of Section 2 provides that where the

vehicle is a vehicle of any other class, the amount payable as compensation will be the amount of liability incurred. The learned Advocate-General appearing for the claimants lays emphasis on the words subject to the proviso to sub-sec (1)"" at the beginning of S. 95(2) and submits that the limits of liability specified in sub-section (2) can in the context be only with reference to the classes of persons excepted from the proviso the Section 95(1).

4. Section 95(1), clause (b) makes it the first requirement of a policy under the Act, in general terms, that the policy must be one which insures

against any liability in respect of the death of or bodily injury to any person caused by or arising out of the use of the vehicle in a public place. The

second requirement under clause (b) is that the person or classes of persons who effect insurance are specified in the policy and are insured against

the above liability which may be incurred by him or them, that is, the policy gives to such person or persons or to the members of the class of

persons specified in the policy the right to enforce against the insurer the undertaking which the policy gives. The third requirement is that the

insurance against liability specified in the clause must be to the extent specified in sub-section (2) of Section 95. Section 95(1)(b) after imposing an

obligation for insurance against any liability which the insurer may incur in respect of the death of, or bodily injury to any person by proviso excepts

certain liabilities which because of the use of the words ""death or bodily injury to any person"" would otherwise have to be insured against.

Generally speaking provisions relating to third party insurance do not extend to persons carried in the vehicle.

The proviso to Section 95(1)(b) first brings out that feature and then engrafts exceptions thereon, on the provisos, Proviso (i) exempts from the

requirements of insurance cover of liability in respect of death arising out of and in the course of his employment, of the employee, of a person

insured by the policy, or in respect of bodily injury sustained by such an employee arising out of and in the course of his employment of the

employee of a person insured by the policy or in respect of bodily injury sustained by such an employee. Proviso (ii) exempts from requirement of

insurance to cover liability in respect of the death or bodily injury to persons being carried in or upon or entering or mounting or alighting from the

vehicle at the time of the occurrence of the event out of which the claim arises. Proviso (iii) exempts from the requirement of insurance to cover any requirement of insurance to cover any contractual liability. The proviso without the exceptions or savings from their out the exceptions or savings from their operation, stated that compulsory insurance need not be effected against liability to voluntary passengers and against liability to persons who would have a claim against the insured as their employer.

5. The saving clause introduced to proviso (i) provides for compulsory insurance in favour of three classes of persons for liability arising under the

Workmen's Compensation Act--(1) an employee driving a vehicle, (2) conductors and ticket examiners in case of public service vehicle and (3)

an employee carried in a goods vehicle. By the exception to proviso (ii), it is necessary to insure against liability to passengers in a vehicle in which

passengers are carried for hire or reward or by reason of or in pursuance of a contract of employment. Provisio (ii) which grants exemption from

compulsory insurance cover for liability to passengers, excepted from the proviso a particular class of vehicles, namely, vehicles in which

passengers are carried for hire or reward or by reason of or in pursuance of a contract of employment. Insurance is compulsory where the vehicle

is a vehicle in which passengers are carried for hire or reward or by reason of or in pursuance of a contract of employment. Section 95(1)(b) thus

sets out liabilities to be covered by the compulsory insurance policy. With the provisos and exceptions therefrom, it specifies what are liabilities that

may be incurred in respect of the death or bodily injury to a person arising out of the use of the vehicle which must be covered by insurance for due

compliance with the requirements of Ch. VIII

The monetary extent of insurance cover is then dealt with in Section 95(2). Section 95(1)(b) having provided that the policy, to comply with the

requirement of Ch. VIII, must be one which insures to the extent specified in sub-section (2) of Section 95, by sub-section 2(a) specifies the limit

in respect of a goods vehicle and by sub-section 2(b) certain limits where the vehicle is a vehicle in which passengers are carried for hire or reward

or by reason of or in pursuance of a contract of employment. Sub-section (2)(c) says that where the vehicle is a vehicle of any other class, the limit

is the amount of the liability incurred. The first impression that one gets on a

reading of Section 95(2) is that the limit of compulsory insurance liability is fixed with reference to the vehicle.

6. The relevant provision with which this reference is concerned is Section 95(2) (a), whereby it is provided that a policy of insurance shall cover any liability incurred in respect of any one accident where the vehicle is a goods vehicle upto the limit of Rs. 20,000 in all. This sum of Rs. 20,000 includes the liability, if any, arising under the Workmen's Compensation Act, in respect of the death or bodily injury to the employee other than the driver not exceeding six in number being carried in the vehicle.

7. A reference to Section 95 before its amendment in 1956 by Act 100 of 1956 is useful in this context. Before the amendment of Section 95, there was no exception to the exemption from compulsory insurance granted by proviso (i). In its unamended form the proviso to sub-section (1) read that a policy shall not except as may be otherwise provided under sub-section (3) be required to cover liability in respect of the death arising out of and in the course of his employment, of the employee of a person insured by the policy or in respect of the bodily injury sustained by such an employee arising out of and in the course of his employment. Sub-section (3) of Section 95 left it to the State Government in their discretion to lay down that a policy of insurance should, in order to comply with the requirements of the Chapter, cover any liability arising under the provisions of the Workmen's Compensation Act, 1923. By the amending Act, the insurance cover for the liability arising under the Workmen's Commendation Act has been made compulsory by engrafting an exception on proviso (i). A consequential amendment was made to sub-section (2)(a) which fixed the limit of compulsory insurance liability for a goods vehicle, and sub-section (3) was omitted. The significant part of the amendment that has to be noticed is that the liability arising under the Workmen's Compensation Act to be insured in respect of goods vehicle has been restricted to six employees other than the driver carried in the vehicle.

Section 95(1), proviso (i), before its amendment, exempted from insurance cover employer's liability risk reflecting presumably the well established distinction in the insurance world between the public liability risk and employer's liability risk. The qualifying words in the beginning of Section 95(2) were the same before the amendment "subject to the proviso to

sub-section (1), a policy of insurance shall cover any liability incurred in respect of any one accident upto the following limits, namely." Clause (a) of sub-section (2) specifying the limit for a goods vehicle then ran:

When the vehicle is a vehicle used or adapted to be used for the carriage of goods, a limit of Rs. 20,000.

Sub-section (2)(a) read with the qualification at the beginning subjecting it to the proviso to Section 95(1) clearly cannot and so did not before the amendment, fix the limit of Rs. 20,000 to any particular class of persons. The limit was with reference to the vehicle involved in the accident and not the persons involved. By the amendment and introduction thereby of an exception to proviso (i), insurance cover was insisted upon for certain liabilities arising under the Workmen's Compensation Act also. Corresponding amendment was made to sub-section (2)(a). By the amendment the following words were added after "a limit of Rs. 20,000

In all, including the liabilities, if any, arising under the Workmen's Compensation Act, 1923, in respect of the death of, or bodily injury to, employees (other than the driver), not exceeding six in number, being carried in the vehicle.

The above words added by the amendment cannot by themselves alter either the meaning or scope of the qualifying words at the beginning of sub-section (2). The qualifying words apply not only to clause (a) but also the clauses (b) and (c). If it had been the intendment of the amendment to take away the existing limit in respect of third party risks very different language should have been employed. Far from manifesting an intention to change the law in other respects, there are two significant expressions in the amendment to clause (a)(1) "in all" and (2) "including the liabilities", indicating that the amount specified is the overall limit that should be covered by the insurance. If the limit of Rs. 20,000 is only in respect of liability towards employees and no limit is prescribed in respect of third party liability the words "in all" and "including" would lose all significance. The expression "including" shows that there are other liabilities covered by the limit. The word "including" is normally used to signify that what is enumerated as included is not exhaustive. A liability which was not there previously is taken in under the limit. What was already covered by the

limit is not excluded therefrom.

In our opinion, the qualifying words at the beginning of Section 95(2) are there only to emphasise that certain risks are exempted from compulsory

insurance by the provides and there are exceptions thereto which have to be covered by the policy. The qualifying words are there as a matter of

abundant caution emphasising a sound rule of construction that the enacting part and the proviso must be read as whole, each part throwing light on

the other, as all the parts of he section are inter-related. So read, there is nothing in the provisos that would control the plain language of clauses (a)

and (b) of sub-section (2) that the amounts, specified therein are for the total liability incurred in respect of any one accident and not just the liability

incurred in respect of the classes of persons mentioned in the clause. The proper principle of construction to be adopted in a case like the present

one is to get at the meaning of the section on a comprehensive view of the enacting provision, that provisos and the exceptions therefrom are taken

as a whole and interpreted together.

8. As the qualifying words at the beginning of S. 95(2) ""subject to the proviso to sub-section (1)"" are common to both clauses (a) and (b), it is

relevant to examine S. 95(1)(b). Section 95(2), clause (b) provides in the case of vehicles carrying passengers for hire or reward insurance for a

limit of Rs. 20,000 in the case of persons other than passengers carried for hire or reward and another sum of Rs. 20,000 in the case of

passengers. In the case of passengers, there is a further limit on the extent of individual passenger compensation to be insured against; if the vehicle

is registered for carrying passengers not exceeding six excluding the driver, the liability in respect of an individual passenger is Rs. 4000 and, if the

vehicle is registered to carry more than six passengers excluding the driver, the liability is Rs. 2000 in respect of passenger. The phrase in clause

(b) ""persons other than passengers"" in respect of whom a limit of Rs. 20,000 is provided, in its setting read with the other provisions of the Chapter

manifestly refers to third parties. Clause (b) indicates that the word ""passenger"" would but for the specific exclusion include also the driver. The

limit of compulsory cover specified in S. 95(2)(b) is in respect of all liabilities that have to be insured against. With reference to Section 95(2)(b) it

would be misreading the qualifying words at the beginning subject sub-section to

the proviso to Section 95(1) as confining the limit of liability only

to the classes of persons excepted from the proviso to S. 95(1)(b).

9. Sec. 95(2)(b) has been the subject of construction by a Full Bench of Punjab High Court in Northern India Transporters Insurance Co. v. Smt.

Amra Wati, AIR 1966 Punj 288 (FB). The claim for compensation that came up for consideration before the Full Bench was by the widows and

other heirs of two passengers who were killed in an accident to a passenger bus. It was held by the Full Bench that, if an insurance policy is taken

out in respect of a large passenger bus and is limited to the terms of S. 95 of the Act and the bus meets with an accident resulting in injuries to

several person, the liability of the insurer is not to exceed Rs. 20,000 in respect of all the passengers taken together and it is not to exceed Rs.

2000 in respect of each injured passenger. It was there argued on behalf of the passengers and the Transport Company that if all that is

recoverable from the insurer by an injured passenger is Rs. 2000 and no more and even that amount may have to be reduced in case a large

number of persons are insured as there is the second overall limit of Rs. 20,000 then the provision would seem to be hardly adequate. The

argument was met by the learned Judges with the observation that it is only looking at one side of the picture and that Parliament may well have

thought it unreasonable to impose a heavy burden, on the transporters arising out of insurance, for obviously, if the Act requires them to insure their

vehicle in such a way that a large amount of compensation would become payable by the insurer, then the burden of insurance will increase and

that burden has necessarily to be borne by the transporter. Of course, any but owner may voluntarily take out an insurance policy to cover more

risks than the minimum required to be covered by the statute for his own self-protection.

10. S. 95(1), before its amendment in 1956, corresponded with S. 36(1) of the English Road Traffic Act, 1930. Section 35(1) of the English Act

corresponding to S. 94(1) of our Act, provided as an alternative to a policy of insurance that the persons using a motor vehicle or owner may

cover the risk of third party liability arising from the use of the vehicle on the road by providing security under s. 37 of the English Road Traffic Act.

The security was generally given by authorised insurers u/s 37(1)(b) and

consisted of an undertaking by the giver of the security to make good, subject to any conditions specified therein, any failure by the owner of the vehicle or such other persons or classes of persons as may be specified to discharge any compulsorily insurable liability which may be incurred by him or them. It is interesting to note that, where security is given as an alternative to insurance, limits have been prescribed. The reason for the difference is not apparent. The security to be valid in the case of a public service vehicle must be for an amount not less than \$. 25,000 and in any other case for an amount not less than ₹½. 5000. The distinction in the compulsory limit for security is according to the character of the vehicle and the limit is an overall limit.

Shawcross on Motor Insurance, 2nd Ed., at p. 226 says that the public service vehicle, would generally be of the class against liability to

passengers in which insurance is required by Sec. 36, whilst other vehicles would not generally be of that class and this, it is presumed, is why the

limit is so much lower in the case of vehicles other than public service vehicles. Parliament has, for reasons best known to itself, may be having

regard to the economic levels in this country, adopted different criteria for country, adopted different criteria for fixing limits. The English Road

Traffic Act, 1930 retains the provision for security as an alternative to a policy of insurance, and, with reference to the security, maintains the

distinction between public service vehicle and other vehicles.

11. In K. Gopalakrishnan Vs. Sankara Narayanan and Others, , where a goods vehicle was involved in an accident, the Division Bench of this

court observed--

Thus sub-section (2) of Section 95 of the Act cannot be invoked to restrict the liability of the Co-operative Fire and General Insurance Society

Ltd., to Rs. 20,000 in this case. Sub-section (2) of Section 95 of the Act can have no application to damages caused to third parties like the

claimant in this case as the is not one of the class of persons referred to in the proviso to Section 95(1) of the Act." There is not much discussion.

The learned Judges only say that sub-section (2) of Section 95 of the Act clearly governs only the proviso the sub-section (1) of Section 95 of the

Act, and that it is clear from the terms of sub-section (2) of Section 95 that they are subject to the proviso to sub-section (1). The learned Judges

are of the view that the limit of liability that has to be insured against is in relation to the persons exempted from the proviso to S. 95(1). In our view, the effect of subjecting sub-section (2) of Section 95 to the provisions to sub-section (1) of the section is to require that they all have to be read together and harmonised. Effect must be given to every part of the section. The sub-sections, provisos and exceptions to the provisos must all be given effect to.

12. The argument for the claimants is that certain exceptions have been carved out from the operation of the provisos, and it is a reasonable inference that it is the liability in respect of the excepted persons who strictly speaking are not third parties to the vehicle that is limited by sub-section (2). There is no basis for such an interpretation. The language of sub-section (2) does not warrant the same and even if the sub-sections under consideration are not examples of legislative precision and clarity, we see no such ambiguity for the court to search for some undisclosed intention. The plain meaning is generally the true meaning. On our reading of sub-section (a) and (b) they do prescribe limits in respect of compulsorily insurable risks including third party risk and are not confined only to the classes of persons who are excepted from the proviso to Section 95(1) (b). Section 95(2) fixes limits in relation to vehicles and makes a distinction between a goods vehicle and a vehicle in which persons are carried. With reference to vehicle carrying passengers a further distinction is made between vehicles registered to carry not more than six passengers excluding the driver and vehicles registered to carry more than six passengers excluding the driver. Under clauses (a) and (b) of Section 95(2), the overall liability for insurance cover in respect of a vehicle involved in an accident is specified.

The compulsory insurance policy, that is the "Act policy" is one which contains the bare minimum requirements of cover if the vehicle is legally usable in a public place. But a comprehensive third party liability policy may provide cover against legal liability for bodily injury to or death of any party, even if he is not within the limited categories provided for under the Act; the assured is free to take out a policy for his own protection to the full extent of the liability that may be incurred, even where limits are prescribed. We are here on the question of the liability incurred by the insurer

under a policy complying with the minimum requirements of the Act, the insured taking the policy to avoid penal consequences. It is not for the

court to judge the adequacy of the compulsory cover in the changed times, making the amounts available miserably low if large number of persons

are involved in an accident. It is a matter for Parliament to consider.

13. It follows that sub section (2) of Section 95 has not been correctly interpreted by the Division Bench in AIR 1963 Mad 436. We are in

agreement with the learned Judges who have referred the matter to the Full Bench in their interpretation of the sub-section. It is our opinion that

where an insurance company insures the owner of a goods vehicle u/s 95 of the Motor Vehicles Act, 1939, against the liability which the owner

may incur in respect of the death of a third party caused by the use of the vehicle in a public place, the policy being simply one conforming to the

requirements of the Act, the liability of the Insurance Company is limited to Rs. 20,000 u/s 95(2) of the Act. Costs of this reference would be as

may be ordered by the Division Bench.

(This appeal coming on for final hearing after the opinion expressed by the Full Bench, the Court--Kailasam and Venkataraman, JJ. delivered the

following: Judgment: (5-3-1970).)

Kailasam, J.

14. In view of the opinion of the Full Bench, we pass the following judgment: We find the second respondent is liable to pay a compensation of Rs.

40,000 to the appellants. Out of this amount, the liability of the Insurance Company is limited to Rs. 20,000. The appeal is accordingly allowed

with costs of this court, payable by the two respondents. There will be no order as to costs in the Full Bench reference.

15. Appeal allowed.