
(1987) 10 SC CK 0001

In the Supreme Court Of India

Case No : Civil Appeal No. 619 (NL) of 1986

New India Assurance Company Ltd.

APPELLANT

Vs

Ram Lal and Others

RESPONDENT

Date of Decision : 16-10-1987

Acts Referred:

Motor Vehicles Act, 1939 — Section 95(2)

Citation : (1988) ACJ 754

Hon'ble Judges : K.N. Singh, J;E.S. Venkataramiah, J

Bench : Division Bench

Final Decision : allowed

Judgement

1. It is obvious from Section 95(2)(a) of the Motor Vehicles Act, 1939, that the maximum liability of the Appellant is Rs. 50,000/- under the said Act in respect of each death or injury caused by motor vehicle accident falling under that provision See Motor Owner's Insurance Co. Ltd. Vs. Jadavji Keshavji Modi and Others, The insurance policy produced by the Appellant shows that the Appellant had undertaken to indemnify the insured to the extent of Rs. 50,000/- only. In the circumstances the High Court was in error in holding that the Appellant was liable to pay the entire amount of compensation which was more than Rs. 50,000/- in this case on the basis that the: policy was one under which the insurer had undertaken to bear an unlimited liability. The order passed by the High Court is, therefore, modified in so far as the Appellant is concerned directing the Appellant to pay a sum of Rs. 50,000/- only to the claimant-Respondents with interest at the rate of 12 per cent per annum from the date of the filing of the petition till the date of deposit. The Appellant shall also pay the costs of the said claimants before the Motor Accidents Claims Tribunal. The appeal is accordingly allowed. There will be no order as to costs in this Court. Any compensation payable over and above Rs. 50,000/- shall be paid by Respondent No. 1, Mr. Ram Lal (owner of the vehicle).