(1984) 08 P&H CK 0038

In the Punjab And Haryana At Chandigarh

Case No : First Appeal from the Order No. 538 of 1984

Ramesh Kumar APPELLANT

Vs

National Insurance Co. Ltd. and Others RESPONDENT

Date of Decision : 10-08-1984

Acts Referred:
Motor Vehicles Act, 1939 — Section 95(2)

Citation : (1986) ACJ 557 : (1987) 61 CompCas 225

Hon'ble Judges : Surinder Singh, J;D.S. Tewatia, J

Bench : Division Bench

Advocate : L.M. Suri, for the Appellant; B.S. Wasu, for the Respondent

Final Decision : Allowed

Judgement

1. The appellant''s truck met with an accident on December 10, 1982. As a result thereof, one Joginder Singh died. The Tribunal awarded as compensation a sum of Rs. 67,200 to the claimants with interest at the rate of 10 per cent per annum. Out of the said amount, the Tribunal ordered that the insurance company (respondent No, 1 herein) shall pay Rs. 50,000''. The appellant, owner of the offending vehicle in this appeal, claims that the liability of the insurance company, as per amended provision of Sections 95(2) of the Motor Vehicles Act, 1939, which reads as under, extended to Rs. 1,50,000 for the death of, or injury to, a third party with effect from October 1, 1982.

"95(2)(a). Where the vehicle is a goods vehicle, a limit of one lakh and fifty thousand rupees in all, including the liabilities, if any, arising under the Workmen''s Compensation Act, 1923 (8 of 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..."

2. Admittedly, the policy of insurance covering the offending vehicle was issued on October 28, 1982, by which date admittedly the amendment to Sections 95 raising the aforesaid statutory amount of coverage from Rs. 50,000 to Rs.

1,50,000 had become operative.

3. Section 94 envisages compulsory insurance against third party risk to the extent provided by Sections 95. In view of the aforesaid two provisions, after October 1, 1982, the statutory liability of the insurer extends to Rs. 1,50,000. That means, whenever a policy of insurance is issued by the insurance company, it has statutorily to cover risk to the insured up to that amount. Such being the position, the liability of the respondent insurance company, in the present case, would extend to the entire amount awarded by the Tribunal. Therefore, the award of the Tribunal is modified accordingly and the appeal is allowed to the extent mentioned above. No order as to costs.

