

*** THE HONOURABLE SRI JUSTICE BALAJI MEDAMALLI**

+C.M.A.NO. 486 OF 2010

% 03.08.2026

#Between:

Royal Sundaram Alliance Insurance Co.Ltd.,

..... Appellant

\$And:

Smt. Purama Raghavamma and others.

... Respondents

!Counsel for the Appellant : Sri Kota Subba Rao

^Counsel for the Respondents 1 to 4 : Syed Khader Mastan

<Gist:

>Head Note:

? Cases referred:

1. (2014) 14 SCC 137

IN THE HIGH COURT OF ANDHRA PRADESH AT AMARAVATI

C.M.A.NO. 486 OF 2010

Royal Sundaram Alliance Insurance Co.Ltd.,

..... Appellant

And:

Smt. Purama Raghavamma and others.

....Respondents

DATE OF JUDGMENT RESERVED : 24.07.2026

DATE OF JUDGMENT PRONOUNCED : 03.08.2026

DATE OF JUDGMENT UPLOADED : 04.08.2026

SUBMITTED FOR APPROVAL:

THE HON'BLE SRI JUSTICE BALAJI MEDAMALLI

- | | |
|---|--------|
| 1. Whether Reporters of Local newspapers may be allowed to see the Judgments? | Yes/No |
| 2. Whether the copies of order may be marked to Law Reporters/Journals? | Yes/No |
| 3. Whether Your Lordships wish to see the fair copy of the Judgment? | Yes/No |

JUSTICE BALAJI MEDAMALLI

Date of reserved for orders : 24.07.2026
Date of pronouncement : 03.08.2026
Date of uploading : 04.08.2026

APHC010415282010



**IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI**

MONDAY, THE 03rd DAY OF AUGUST, 2026

PRESENT

THE HONOURABLE SRI JUSTICE BALAJI MEDAMALLI

CIVIL MISCELLANEOUS APPEAL NO: 486 OF 2010

Between:

1. ROYAL SUNDARAM ALLIANCE INSURANCE CO.LTD.,, Rep. by its Branch Manager, SundaramTowers, 45 & 46 Whites Road, Chennai, Insurer of Tractor Trailer bearing No. A.P07 R 8014 & AP07 R 8015)

...Petitioner

AND

1. SMT PURAMA RAGHAVAMMA 4 OTHERS, W/o. Late.Purama Rama Rao, R/o. Yadavapalem, Duggirala Post & Mandal, Guntur District.

2. Purama Lakshmi Narayana, S/o. Late Purama Rama Rao, R/o. Yadavapalem, Duggirala Post & Mandal, Guntur District.

3. Purama Srinviassa rao, S/o. Lat Purama Rama Rao, R/o. Yadavapalem, Duggirala Post & Mandal, Guntur District.

4. Smt Purama Sitamma, W/o. Late Lakshmayya, R/o. Yadavapalem, Duggirala Post & Mandal, Guntur District.

5. Sri Kondragunta Ranga Rao, S/o. Venkaeswara Rao, Pittanibanda Village, Vinukonda Mandal, Guntur District.

...Respondents

Appeal Under Section_____against orders

IA NO: 1 OF 2010 (CMAMP 1248 OF 2010)

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay the execution of orders passed in W.C.No.32 of 2008, dated 07.04.2010 by the Hon'ble Commissioner for Workmen's Compensation and Asst. Commissioner of Labour, Tenali, pending the final disposal of the main appeal and pass

Counsel for the Petitioner: KOTA SUBBA RAO

Counsel for the Respondents: SYED KHADER MASTAN

The Court made the following order:

THE HONOURABLE SRI JUSTICE BALAJI MEDAMALLI

CIVIL MISCELLANEOUS APPEAL NO: 486/2010

JUDGMENT:

1. This Civil Miscellaneous Appeal, under section 30 of the Workmen's Compensation Act, has been filed by the appellant/Opposite Party No.2- Insurance company, challenging the order dated 07.04.2010 passed in W.C.No.32 of 2008 by the Court of the Commissioner for Workmen's Compensation and Assistant Commissioner of Labour, Tenali (for short, 'the Commissioner'), whereby the Commissioner held that Opposite Parties 1, 2 and 3 are jointly and severally liable to pay compensation to the applicants.

2. For the sake of convenience, the parties shall be referred to as they are arrayed in W.C.No.32 of 2008.

3. Brief facts of the case are that the applicants, being the wife, sons, and mother of the deceased Purama Ramarao, filed a claim petition seeking compensation. Opposite Party No.1 is the policy holder of the tractor/trailer, Opposite Party No.2 is the insurer, and Opposite Party No.3 is the owner of the tractor/trailer bearing Nos.AP 07R 8014 and AP 07R 8015. The deceased was employed as a driver by Opposite Party No.3. On 23.01.2008 at about 6:30 PM, while the deceased was driving the tractor/trailer for loading and unloading sand for road work from Pedakonduru to Godavarru, the vehicle overturned near Karakatta, Godavarru, due to loss of control. The deceased sustained fatal injuries and died on the spot. A case was

registered at Duggirala Police Station as Cr.No.11/2008 under Sections 337 and 304-A IPC, and post-mortem examination was conducted at Government Hospital, Tenali. The applicants stated that the deceased was 50 years old at the time of death and was earning Rs.4,500/- per month as salary along with Rs.50/- per day as batta. The family was dependent on his income. Therefore, the applicants are claiming Rs.5,00,000/- as compensation from Opposite Parties. Despite issuing registered legal notices dated 13.02.2008 and 05.03.2008, the opposite parties failed to pay compensation.

4. Brief Summary of Counter Statements of Opposite Parties:

(i) Opposite Party No.1 remained absent despite notice and was set ex-parte on 12-12-2008.

(ii) Opposite Party No.2 (Insurance Company) filed a counter denying the allegations made in the claim petition and stated that the applicants must prove their claims with documentary evidence. It was contended that neither OP-1 nor OP-3 informed the insurer about the accident before filing the claim. It was further alleged that unauthorized passengers were travelling in the tractor at the time of the accident, resulting in violation of the policy conditions. OP-2 also contended that the deceased did not possess a valid driving licence at the time of the accident and that there was no policy coverage for the alleged accident. Hence, OP-2 denied liability and sought dismissal of the claim petition.

(iii) Opposite Party No.3 (Owner of the Tractor/Trailer) filed a counter denying the averments in the claim application and stated that the deceased was not employed as a driver on his tractor. He contended that the applicants should approach the Motor Vehicles Tribunal, Guntur, against the owner and insurer of the alleged offending vehicle.

(iv) In the additional counter dated 26.12.2008, OP-3 admitted the employment of the deceased, the accident, death, and wages but denied the age of the deceased. He contended that the compensation claimed was excessive and without basis and prayed for dismissal of the claim against him.

5. Based on the above pleadings and submissions, the learned Commissioner framed the following issues for determination:

- a) *Whether the deceased was a workman as per the provisions of the Act and he died due to personal injuries he received in an accident arising out of and in the course of employment?*
- b) *What was the age of the deceased at the time of death?*
- c) *What was the wages paid to the deceased at the time of death?*
- d) *Amount of compensation payable? And*
- e) *Who are liable to pay compensation?*

6. Upon consideration of the above points for determination, the learned Commissioner allowed the application and held Opposite Parties 1 to 3 jointly and severally liable to pay compensation of Rs.2,91,684/- to the applicants. The learned Commissioner further directed them to deposit the said amount by way of a demand draft drawn in favour of the "*Commissioner for Workmen's Compensation, Guntur*" within 30 days from the date of

receipt of the order and submit the same before the Office of the Joint Commissioner of Labour, Guntur. It was also directed that, in default of such deposit within the stipulated period, the Opposite Parties shall be liable to pay interest at the rate of 8% per annum from the date of the accident till realization, along with such penalty as may be imposed under Section 4(A)(3) of the Act.

7. Aggrieved by the order passed by the learned Commissioner, the 2nd Opposite Party – Insurance company has preferred the present Civil Miscellaneous Appeal.

8. Heard Sri Kota Subba Rao, learned counsel for the appellant/2nd Opposite Party and Sri Syed Khader Masthan, learned counsel appearing for respondent Nos.1 to 4/applicants.

9. The only ground urged by the learned counsel appearing for the appellant/OP-2 is that the insurance policy issued by the appellant stands in the name of respondent No.1/OP-1, whereas the vehicle had been transferred in favour of respondent No.3/OP-3, who is the owner of the tractor and trailer. Since the policy was not transferred or amended in the name of OP-3 after the transfer of the vehicle, there was no valid insurance coverage in respect of the said vehicle. Consequently, there was no employer–employee relationship between OP-1 and the deceased, and therefore, the applicants were not entitled to claim compensation under the provisions of the Workmen’s Compensation Act. It is further contended that

the Commissioner for Workmen's Compensation had erroneously allowed the claim in favour of the applicants.

10. The said issue has been elaborately considered and discussed by the Commissioner for Workmen's Compensation. The Commissioner recorded a finding that the insurance policy was valid and in force as on the date of the accident and that the vehicle involved in the accident was duly covered under the said policy. It is not in dispute that the deceased was engaged as a workman for loading and unloading sand being transported from Pedakonduru to Godavarru. While the vehicle was proceeding near Karakatta, Godavarru Village, it turned turtle, due to which the deceased sustained grievous injuries and succumbed to the said injuries on the spot. Therefore, the deceased was a workman who died in the course of his employment while working in connection with the said vehicle. In such circumstances, it cannot be contended that the insurance policy did not cover the incident in question.

11. The mere fact that the insurance policy was not transferred along with the vehicle would not, by itself, mean that the coverage under the policy ceased to operate in respect of the accident that occurred during the subsistence of the policy period. The non-mutation of the name of the subsequent owner in the insurance policy maintained with the appellant/OP-2 cannot, by itself, disentitle the applicants from seeking compensation under the provisions of the Workmen's Compensation Act, particularly when the policy was valid and in force as on the date of the accident.

12. It is well settled that the object and purpose of the Workmen's Compensation Act is to provide social security and compensation to the dependants of a deceased workman who suffers death in the course of and arising out of his employment. The provisions of the Act are beneficial in nature and are intended to protect the interest of workmen and their dependants. Therefore, a technical objection relating to non-mutation of the name of the transferee in the insurance policy, in the absence of any breach of policy conditions, cannot defeat the substantive rights of the applicants.

13. As per rule 157(1) of the Motor Vehicles Act, 1988 (for short, 'M.V.Act'), when the certificate of the insurance has been issued for a particular vehicle, upon transfer of the ownership of the said motor vehicle to another person, the insurance certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer, which also clarifies under explanation that such deemed transfer shall include transfer of rights and liabilities of the said certificate of insurance and the policy of insurance.

14. In the instant case, as stated above, it is an admitted fact that the vehicle had been transferred. The transferor and the transferee have both been impleaded as opposite parties in the present proceedings, along with the appellant-Insurance company. Therefore, the factum of transfer is not in dispute. By virtue of section 157(1) of the M.V.Act, the insurance policy covering the vehicle is deemed to have been transferred to the transferee. Consequently, the policy remained valid on the date of the accident, and the

appellant-Insurance Company is liable to satisfy the award.

15. The Hon'ble Supreme Court, in ***Mallamma v. National Insurance Co. Ltd.***¹, held that upon the transfer of a motor vehicle, the insurance policy covering the motor vehicle shall be deemed to have been transferred in favour of the transferee. Consequently, the Hon'ble Supreme Court upheld the order of the Commissioner under the Workmen's Compensation Act fastening the liability on the insurance company.

16. In the present case, the appellant/OP-2 has neither pleaded nor established any violation of the terms and conditions of the insurance policy. There is no specific plea taken by the appellant before the learned Commissioner that the insured had committed any fundamental breach of the policy conditions so as to absolve the insurer from its liability. In the absence of any such pleadings or evidence showing the breach of the policy conditions, the appellant cannot avoid its liability merely on the ground that the name of the subsequent owner was not incorporated in the policy records.

17. This Court, upon careful consideration of the submissions advanced by the learned counsel appearing for the appellant as well as the learned counsel appearing for the respondents, finds no illegality, infirmity, or perversity in the order passed by the learned Commissioner for Workmen's Compensation-cum-Assistant Commissioner of Labour, Tenali, in W.C.No.32

¹ (2014) 14 SCC 137

of 2008, dated 07.04.2010, warranting interference by this Court.

18. Accordingly, the Civil Miscellaneous Appeal, being devoid of merits, is ***dismissed***. There shall be no order as to costs.

Interim orders, if any, granted earlier shall stand vacated, and all pending miscellaneous petitions, if any, shall stand closed.

JUSTICE BALAJI MEDAMALLI

Date: 03.08.2026
SAK

Whether the judgment is:

Speaking	☒	Reasoned	☒
Reportable	☒	Non-reportable	

THE HONOURABLE SRI JUSTICE BALAJI MEDAMALLI

CIVIL MISCELLANEOUS APPEAL NO: 486/2010

Dt: 03.08.2026

SAK