



2026:AHC:22764

HIGH COURT OF JUDICATURE AT ALLAHABAD

FIRST APPEAL FROM ORDER No. - 130 of 2026

The Oriental Insurance Company Limited

.....Appellant(s)

Versus

Ramchandrapal Singh And 5 Others

.....Respondent(s)

Counsel for Appellant(s)	:	Akhilesh Sharan Srivastava
Counsel for Respondent(s)	:	

A.F.R.

Court No. - 38

HON'BLE SANDEEP JAIN, J.

1. The instant appeal under Section 30 of the Employee's Compensation Act, 1923 has been filed by the insurer of the offending Qualis Car No.UA-07-C-6274 against the impugned judgment and award dated 03.11.2025 passed by the Employee Compensation Commissioner/Deputy Labour Commissioner, Moradabad in E.C.A. Case No.111 of 2015 (Ramchandrapal Singh and others vs. Nirdosh Kumar and others), whereby for the untimely death of Dharamveer, who was employed as a driver on above vehicle, in a road accident that occurred on 26.02.2015, a compensation of Rs.8,26,495/- along with interest @ 12% per annum has been awarded to the claimants, which has been ordered to be indemnified by the insurer of the offending Qualis Car No.UA-07-C-6274.

2. Learned counsel for the appellant-Insurance Company submitted that the insurance policy of the above vehicle was taken by Rakesh but during the tenure of the policy the vehicle was sold to Nirdosh Kumar, which was also proved from the written statement submitted by them before the Commissioner. It was further submitted that the deceased was not an employee of Nirdosh Kumar, but was an employee of Rakesh, but since Rakesh sold the vehicle to Nirdosh Kumar prior to the accident, as such, there was no relationship of master and servant between the deceased and Nirdosh Kumar, hence, no compensation could have been awarded by the Commissioner to the claimants. It was further submitted that the insurance policy was not transferred in the name of Nirdosh Kumar, as

such, the Insurance Company was not liable to pay any compensation to the claimants. It was further submitted that the Insurance Company has not taken any premium for insuring the driver of the above vehicle, which was proved from the insurance policy submitted before the Commissioner but still the Commissioner has held that the appellant was liable to indemnify the compensation payable to the claimants. With these submissions, it was prayed that the appeal involves substantial questions of law regarding the liability of the Insurance Company to indemnify the compensation in the absence of master and servant relationship between the deceased and the appellant, as such, it be admitted for hearing.

3. I have heard learned counsel for the appellant-insurance company and perused the impugned judgment and documents submitted with the appeal.

4. The Apex Court in the case of ***Pushpa @ Leela & others Vs. Shakuntala and others (2011) 2 SCC 240***, has held that when transfer of ownership of vehicle was made prior to accident, but neither transferor nor transferee took any steps to change the name of owner in registration certificate, hence in view of the said omission transferor must be deemed to continue as the owner of the vehicle for the purposes of the Act, even though under the civil law he ceased to be its owner after its sale. It was held that the transferor was liable to pay compensation.

5. The Apex Court in the case of ***Brij Bihari Gupta vs Manmet and others 2025 SCC OnLine SC 1650*** while considering the liability of registered owner and insurer in the case of transfer of ownership of offending vehicle, held as under:-

*"10. There is considerable reliance placed by the insurer on the fact that the appellant had received the vehicle from the Magistrate's Court, asserting his ownership. The order directing handing over the vehicle to the appellant is produced as Annexure-R/4, in IA No. 190313/2022, where it is indicated that even at that point the registered owner's name was not changed. The registered owner was present before the Magistrate as we see from the order and while ordering handing over of the vehicle, the applicant/appellant was directed to change the ownership within 30 days. Hence obviously the balance consideration of Rs. 10,000/- had not been paid till that date. **The transfer of the registration as per Section 50 of***

the Motor Vehicle Act, 1988 requires the transferee to report the fact of transfer in the prescribed form to the Registering Authority within whose jurisdiction the transfer is affected within 14 days of the transfer. There is no contention raised by the registered owner that he made such a report as required under Section 50(1)(a)(i) of the Act. Hence the ownership was with the registered owner even at the time of the accident and it is his liability to compensate the victims in the accident, which also has to be indemnified by the insurer. We also notice that in Naveen Kumar[Naveen Kumar vs. Vijay Kumar & Ors. (2018) 3 SCC 1] the definition of owner in the Act of 1988 was interpreted to facilitate fulfilment of the object of the law, which was not to burden the claimant to follow the trail of successive transfers. The liability to pay falls squarely on the registered owner, even if there has been successive transfers which has to be indemnified by the insurer."

(emphasis supplied)

6. From the perusal of the documents submitted with the appeal, it is evident that the Car No.UA-07-C-6274 was insured with the appellant under a private car liability only policy from 05.12.2014 till 04.12.2015 whereas, the accident occurred on 26.02.2015. It is apparent that on the date of the accident, the vehicle was insured with the appellant-Insurance Company. It is also apparent that the insurance policy was obtained by Rakesh and as per RC verification report annexed with the appeal, the ownership of the vehicle got transferred to Mrs. Jaykari Devi w/o Ganga Ram on 06.07.2016, which belies the contention of learned counsel for the appellant that the ownership of the vehicle was transferred prior to the accident, to Nirdosh Kumar.

7. From the above facts, it is proved that on the date of the accident, Rakesh was the registered owner of the above vehicle.

8. The owner of the offending vehicle Rakesh duly submitted his written statement before the Commissioner in which he averred that he had previously sold the offending car to Nirdosh Kumar, who had not got it transferred in his name. It was also averred that the car was in the possession and control of Nirdosh Kumar, which was being driven with all the valid documents. It is apparent that it was not proved by any

documentary evidence on record that Nirdosh Kumar was ever the registered owner of the offending car.

9. Nirdosh Kumar was also impleaded as opposite party before the Commissioner, who has submitted his written statement in which he accepted that the deceased Dharamveer was employed as a driver on the above vehicle, who died during the course of employment on 26.02.2015 due to the injuries suffered in an accident. It was further averred that the deceased was a private driver, who possessed a valid driving license for driving the car, which was valid upto 09.02.2024. He also accepted that the registered owner of the car Rakesh Kumar, was his relative and he was only power of attorney holder of Rakesh Kumar and the vehicle was insured with the Oriental Insurance Company Limited from 05.12.2014 to 04.12.2015. He further averred that he had not transferred the vehicle in his name because Rakesh was his close relative, but the transfer was in process.

10. From the written statement submitted by Rakesh Kumar and Nirdosh Kumar, it was proved that Rakesh Kumar was the registered owner of the vehicle at the time of the accident and the ownership of vehicle was never transferred to Nirdosh Kumar but instead, on 06.07.2016 Mrs. Jaykari Devi became the registered owner of the vehicle, who was not required to be impleaded in the claim petition before the Commissioner because on the date of the accident, she was not the registered owner of the vehicle.

11. Learned counsel for the Insurance Company submitted that as per insurance policy the Insurance Company has only charged Rs.50/- premium under IMT-29 for the employees of the insured, which does not cover the paid driver of the car, as such, the Insurance Company was not liable to indemnify the compensation payable to the claimants.

12. The Division Bench of the High Court of Madras in the case of ***United India Insurance Co. Ltd. vs R. Krishnan and another CMA No. 2307 of 2018*** decided on 23.03.2020, while discussing the scope of coverage with respect to IMT-29, held as under:-

"20. Issue No.5 Whether the owner of the vehicle is liable to pay additional premium in terms of IMT-29 to cover its employees?"

20.1 As far as fifth issue is concerned, now we have to decide whether the owner of the vehicle is liable to pay additional premium to cover its employees in terms of IMT-29?

To answer this issue it is relevant to extract the IMT-29 as follows:

“IMT-29 Legal Liability to Employees of the Insured other than paid driver and/or conductor and /or cleaner who may be travelling or driving in the employer’s car (Private cars only/Motorized two wheelers (not for hire or reward)

“In consideration of the payment of an additional premium @ Rs.25/- per employee insured notwithstanding anything to the contrary contained in the policy it is hereby understood and agreed that the insurer will indemnify the insured against the insured’s liability at Common Law and Statutory Liability under the Fatal Accidents Act, 1855 for compensation (including legal costs of any claimant) for death of or bodily injury to any employee (other than paid drivers) of the within named insured being carried in or upon or entering in or getting on to or alighting from or driving the vehicle insured.

Provided that in the event of an accident whilst the vehicle insured is carrying more than ... employees of the insured (including the driver) the insured shall repay to the insurer a rateable proportion of the total amount payable by the insurer by the reason of this endorsement in respect of accident in connection with such vehicle insured.*

Subject otherwise to the terms, condition limitations and exception of this policy.”

20.2 The IMT-29 is relating to the payment of additional premium to cover the liability to employees of the insured other than the paid drivers/conductors/cleaners.

20.3 The terms and conditions of Section II-Liability to third parties, as stated above, clearly excludes payment of compensation to the employees of the insured under the category of third party liability. Section II ultimately provides that third party liabilities would be covered as provided under Section 147 of the M.V. Act. Section 147 of the M.V. Act,

clearly spells out that premium paid by the insured would cover only the statutory liabilities as stated thereunder, excluding the liabilities to the employees of the insured. Therefore, under Section 147 of M.V. Act, it is mandatory for the insured to enter into a private contract with the insurer by way of payment of additional premium to cover its employees.

20.4 The premium paid under basic third party liability does not cover the employees of the insured. As we stated earlier, additional premium paid under IMT-16 to cover unnamed passengers also excludes employees of the insured from any coverage. Therefore, in order to cover the employees of the insured, the insured is required to pay additional premium in terms of IMT-29.

20.5 This Court vide orders dated 05.09.2019 and 23.09.2019 directed the IRDA to answer the following queries:

“ (i) Whether the Insurance Company is liable to pay compensation to the occupant in a private car without paying additional premium under IMT-29?

(ii) What is the scope of IMT-29 after the issuance of circular dated 3 December 2009, by IRDA.”?

20.6 In compliance with the direction of this Court, Mr.M.B.Raghavan, learned counsel appearing for IRDA filed a memo, dated 30.01.2013 along with enclosures.

20.6.1 As far as first query is concerned, the IRDA submits that the Insurance Company will not be liable to pay compensation in an accident for the occupants in the private car, who are employees of the insured/owner travelling without obtaining coverage under IMT-29.

20.6.2 As far as second query is concerned, the IRDA answered that the circular, dated 03.12.2009 was not intended to modify the policy terms or include coverage for employee/occupant but only to deal with dispute being raised by the insurer for all occupants (other than employees/occupants) contrary to the express wording of the policy.

20.7 Thus, from the memo filed by IRDA dated 30.09.2019, it is clear that insurer will not have liability for occupants in a private car, who are

employees of the insured/owner (except the paid driver) without obtaining coverage under IMT-29.

20.8 Therefore, if an employer intends to cover its employees, it is mandatory for the employer to pay additional premium in terms of IMT-29. In the event of non payment of any additional premium, in terms of IMT-29, insurance coverage will not be extended to its employees..."

13. However, upon the direction of the High Court of Madras in the case of ***United India Insurance Co. Ltd. vs Ilakkiyamathi & others CMA No. 2166 of 2019 & CMP No. 8871 of 2019*** decided on 24.02.2023, the Insurance Regulatory and Development Authority of India (IRDAI) vide Circular/Notification dated 18th October 2023 bearing Ref. No. IRDAI/NL/CIR/MOTOR/178/10/2023-24, issued the following directions:-

*i) All General Insurers carrying on motor insurance business shall provide the cover to the employees travelling in employer's vehicle **(including paid driver, if applicable) under IMT-29** of the Indian Motor Tariff, compulsorily as an inbuilt coverage while issuing private car policy for such vehicles.*

(ii) The compulsory cover of IMT-29 shall be provided as an inbuilt coverage under the Compulsory Motor Third Party Liability Section of Private Car Package/ Bundled Policies and under standalone policies insuring Compulsory Motor Third Party Liability.

(iii) No additional premium shall be charged until further directions.

14. It is true that the policy discloses that the Insurance Company has taken Rs.50/- premium under IMT-29 but it does not disclose the number of employees regarding which the premium was charged. It is further evident that since the deceased was also working as an employee, being the driver of the car at the time of the accident, as such, mere specific non-mentioning of the driver in the insurance policy does not entitle the Insurance Company to avoid its contractual liability under the Act. It is further evident that the offending car was a private vehicle which only requires a driver to drive it. It is not a commercial vehicle or a truck in

which a Conductor or Khalasi is employed, besides the driver. It is further evident that under IMT-29 only a premium of Rs.25/- per employee is charged but in the instant case, the insurance company has charged premium of two persons, which proves that the driver was also covered under the instant insurance policy, which is also corroborated from the above mentioned circular of the IRDAI.

15. The Insurance Company has examined its Investigator Firoz Khan and Pawan Saxena as DW-1 and DW-2 in order to prove that the deceased was not covered under the terms and conditions of the insurance policy but it is evident that under IMT-29, the Insurance Company took premium of two employees regarding the private car, in which only a driver is employed to drive the vehicle. It is also apparent that the car was not registered in the name of Company, so as to enable the Company to carry its employees in the car. In view of the above premium charged by the Insurance Company, which was towards two employees of the insured, which also included paid driver of the car, hence the contention of the learned counsel of the appellant, contrary to it, is liable to be rejected.

16. No other issue was pressed by the learned counsel for the appellant.

17. In view of the aforesaid facts, the instant appeal does not raise any substantial questions of law and there is no illegality in the impugned judgment and award dated 03.11.2025 passed by the Commissioner concerned, as such, this appeal has got no merit and is liable to be dismissed at the admission stage.

18. Accordingly, this appeal is dismissed at the admission stage.

19. It is apparent that the Insurance Company has deposited the amount of compensation along with interest awarded by the Commissioner amounting to Rs.17,94,718/- on 02.01.2016. The Commissioner is directed to disburse the above amount to the claimants, in accordance with the impugned judgment.

(Sandeep Jain,J.)

February 3, 2026

Jitendra