

**THE HON'BLE SRI JUSTICE L. NARASIMHA REDDY
AND**

**THE HON'BLE SRI JUSTICE M.S.K. JAISWAL
L.P.A.Nos.206, 207, 208, 219 of 2000 & 6 of 2002**

COMMON JUDGMENT : (Per LNR,,J)

In this batch of appeals, filed under Clause 15 of Letters Patent, the only question, that arises for consideration before us, is as to whether the APSRTC can be held liable to pay compensation, in case a bus hired by it from a private owner meets with accident resulting in injuries to, or death of, the passengers, as the case may be.

The APSRTC, Khammam Depot, hired a Bus bearing No.AEK 4899, which was owned by one Smt. Chennupati Suguna and insured with M/s. Oriental Insurance Company Limited, to be operated on a road connecting Venkatapuram. On 20.02.1988, the bus, driven by one Sri S. Sreemannacharyulu, turned turtle between Venkatapuram and Gokinapalli villages, resulting in the death of one passenger, by name B.P. Kanaka Ratnam, and injuries to four other passengers. Five petitions, namely, O.P.Nos.247, 248, 271, 485 and 486 of 1988, were filed in the Motor Accident Claims Tribunal-cum-Additional District Court, Khammam (for short 'the Tribunal'), claiming compensation by the injured passengers or the legal representatives of the deceased passenger, as the case may be.

Through its common order, dated 17.08.1989, the Tribunal awarded compensation, and held the APSRTC, the owner of the bus and its insurer liable for payment of

the compensation, jointly and severally.

Denying its liability, the APSRTC filed C.M.A.Nos.173 to 177 of 1990 before this Court. Through common judgment, dated 16.09.1999, a learned Single Judge dismissed all the C.M.As. Hence, these Letters Patent Appeals.

Heard the learned standing counsel for the APSRTC, and the learned counsel for the contesting respondents.

Whenever an accident takes places, it is the owner of the vehicle, that is liable to pay compensation to the injured or the dependants of the deceased, as the case may be. Since taking out of insurance policy made compulsory, under the Motor Vehicles Act, 1939 (for short 'the Act'), the Insurance Company is also made liable to pay compensation, in case the concerned vehicle is insured with it. It is a different matter that the extent of liability varies, depending on the terms and conditions of the insurance policy.

Admittedly, the APSRTC is not the owner of the vehicle, in question. Except that it has hired the vehicle from a private owner, it did not have any right over the vehicle. As required under the Act, the vehicle is also insured with an Insurance Company.

In the context of fastening the liability to pay compensation to the victims of the accident or their dependents, uniformity did not appear and various learned Single Judges took different views. The predominant view was that being just a hirer, the APSRTC cannot be held liable. The uncertainty that existed, in that

behalf, stood resolved, through the judgment of the Full Bench of this Court in

APSRTC, Hyderabad and another Vs. B. Kanakaratnabai and others^[1]. It was held that the APSRTC cannot be held liable to pay compensation, in such cases.

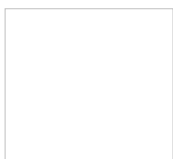
Following the same, we allow all the Letters Patent Appeals, and hold that the appellant herein i.e., the APSRTC, cannot be held liable to pay the compensation awarded by the Tribunal in the O.Ps. It is, however, made clear that the insurer of the bus shall be jointly and severally liable to pay the compensation, along with its owner. There shall be no order as to costs.

The Miscellaneous Petitions, if any, pending in the appeals shall stand disposed of.

L. NARASIMHA REDDY, J.

**M.S.K.
JAISWAL, J.**

29th November, 2013
cbs



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L.P.A.No.206 of 2000 and batch

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[\[1\]](#) 2013(1) ALD 644 (FB)