



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

FRIDAY, THE 24th DAY OF JULY 2026

PRESENT

THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

MOTOR ACCIDENT CIVIL MISCELLANEOUS APPEAL NO: 2500 OF 2012

Between:

1. APSRTC, REP.BY MD, MUSHEERABAD, HYDERABAD., Rep.by its
Managing Director, Musheerabad, Hyderabad.

...Petitioner

AND

1. RAMADI VENKATESWARLU AND 6 OTHERS, S/o Sathiraju G.
Moolapolam I.Plavaram Mandal.

2. Ramadi Verriyya, S/o Sathiraju G. Moolapolam I.Plavaram Mandal.

3. Sangani Dhana Lakshmi, W/o Dharmarao Nidadavole, Samillagudem,
W.G.Dist.

4. Pemmadi Ganga, W/o Rama Krishna Pallam Village, Katrenikona Mandal.

5. Chappadi Suryachandra Rao, S/o Subrahmanyam Driver of RTC Bus AP 5
U 5257 R/o Nallacheruvu, Amalapuram.

6. A Nageswara Rao, S/o Ratnam Onwer of AP 5 U 5257 Bus Nallaveedhi,
Amalapuram.

7. The Oriental Insurance Company Limited, Rep.by its Divisional Manager,
Rajahmundry.

...Respondents

Counsel for the Petitioner: K SRINIVASA PRASAD SC For APSRTC

**Counsel for the Respondents: N RAMA KRISHNA Counsel for the
Respondents:G SIMHADRI**

The Court made the following JUDGMENT:

1. This Appeal is filed by the APSRTC against the Award passed by the Motor Accidents Claims Tribunal (II Additional District Judge), East Godavari at Amalapuram, dated 29.04.2006 in M.V.O.P. No.15 of 2002.

I. CONTENTIONS:

2. The learned counsel for the Appellant/APSRTC submits that at Para No.27 of the Award, the Tribunal held that Respondent No.1/driver of the vehicle is primarily responsible to pay the compensation. But the Tribunal recorded a finding that as the vehicle was under the control of Respondent No.2/APSRTC, the Respondent No.1/driver was discharging duties and the Respondent No.3/owner, held that the Respondent No.1 and 2 are liable to pay the compensation to the Claimants and the Respondent Nos.3 & 4 are not liable to pay the compensation. The learned counsel submits that as per the settled law, when the hired Bus is insured, the owner and the Insurance Company/Respondent Nos.3 and 4 are liable to pay compensation and sought to modify to that extent and exonerating the APSRTC from its liability to pay compensation.

3. The learned counsel for the Claimants submits that as per the settled law, the Insurance Company is liable to pay the compensation and APSRTC is not liable to pay the compensation.

4. None appeared for the Insurance Company.

5. The learned Counsels confined their arguments on whom the liability lies to pay compensation, thus, that point is to be answered in the circumstances of the case.

I. BRIEF FACTS:

6. As per the claim, the Petitioners are children of R.Mangayamma/deceased, that on 30.04.2001 she came to attend calls of nature but the Driver/1st Respondent of offending Bus/AP 05 U 5257, hired to APSRTC, drove the Bus in rash and negligent manner dashed her, she died on the spot. The claim is filed for Rs.1,00,000/-, the Tribunal awarded compensation of Rs.60,000/- against the Driver and APSRTC and exonerated the Owner and Insurer of the Bus.

II.ANALYSIS

7. There is no dispute with regard to the accident caused by the hired Bus, negligence of the Driver, death of Ramadi Mangayamma, hired by APSRTC, insured with the Oriental Insurance Company.

8. The record reveals that the Tribunal arrived at a finding on the negligence of the Driver in the accident, involving the offending hired Bus, death of R Mangayamma, insuring with the Oriental Insurance Company. But recorded a finding at Para No.27 of the Award that the Respondent Nos.1 & 2 are liable to pay the compensation. Thus, the law to be examined.

9. The Hon'ble Full Bench of Hon'ble High Court of Telangana in ***A.P. State Road Transport and another vs A. Narsaiah and Ors***¹, while answering the reference 'question as to whether compensation payable in respect of claims arising out of accidents involving insured buses hired by the Andhra Pradesh State Road Transport Corporation (APSRTC) should be borne by the owner of the vehicle, the Insurance Company, the APSRTC or by some or all of them. Held the Insurance Companies shall be solely and exclusively liable for payment of the compensation arising out of such passengers/third party claims unless any of the grounds in Section 149(2) of the Act of 1988/Section 96(2) of the Act of 1939 are made out.

¹ 2019 SCC OnLine TS 2323

10. Thus, as per the law, the Appellant/APSRTC, is not liable to pay compensation, who hired the offending Bus from Respondent No.3/owner, who insured the Bus with the Oriental Insurance Company. Whereas the Driver, Owner and Insurer/5th to 7th Respondents in the Appeal are jointly and severally liable to pay the compensation. Thus, the finding of the Tribunal that the hired Bus was under the control of APSRTC and liability to pay compensation, further finding at Para No.27 that Respondent Nos.1 & 2 are liable to pay the compensation is erroneous and not in terms of the law as discussed supra, thus, liable to be modified to that extent.

IV. CONCLUSION:

11. In the result, the appeal is partly allowed with costs of Rs.10,000/- payable by the Insurance Company. The Award of the Tribunal dated 29.04.2006 in M.V.O.P. No.15 of 2002 is modified to the effect by setting aside the liability on APSRTC, further inclined to hold that the Owner and the Insurer along with the Driver of the hired Bus, who were arrayed as Respondent Nos.5 to 7 in the Appeal, are jointly and severally liable to pay the compensation in terms of the Award.

Miscellaneous petitions, if any, pending shall stand closed.

JUSTICE ALAPATI GIRIDHAR, J

Dt: 24.07.2026

JKS



THE HONOURABLE SRI JUSTICE ALAPATI GIRIDHAR

MACMA No.2500 of 2012

24.07.2026

JKS