

**THE HON'BLE SRI JUSTICE A. SHANKAR NARAYANA**

**M.A.CMA.No.1961 OF 2009**

**JUDGMENT:**

The present appeal is preferred by the erstwhile Andhra Pradesh State Road Transport Corporation, through its Managing Director, Musheerabad, Hyderabad, assailing the order and decree, dated 14.11.2003, in O.P.No.740 of 2001 on the file of Chairman, Motor Accidents Claims Tribunal – cum – II Additional District Judge, Karimnagar, on the ground that the Tribunal was not right in exonerating the owner of the bus, which was hired to the appellant – Corporation, arrayed as respondent No.3, and its insurer, arrayed as respondent No.4 – United India Insurance Company Limited, from liability. Thus, the grievance is directed against the order in exonerating respondent Nos.3 and 4 from liability and fastening liability on respondent No.2 – driver of the bus and the appellant – Corporation.

2. Heard Sri A. Ravi Babu, learned Standing Counsel for Telangana State Road Transport Corporation, Sri Ramchandra Rao Vemuganti, learned counsel for respondent No.1 - claimant, Sri M. Madhava Reddy, learned counsel for respondent No.3 – owner of the bus, and Sri Srinivasa Rao Vutla, learned counsel for respondent No.4 – Insurance Company.

3. It is endorsed in the cause title of the appeal that respondent No.2 – driver of the bus is not a necessary party.

4. There is no dispute with regard to the quantum of compensation of Rs.67,500/- awarded by the Tribunal for the injuries sustained by respondent No.1 – claimant. The only dispute between the appellant – Corporation and respondent No.4 – Insurance Company is whether the Insurance Company can be absolved from liability to pay compensation. To substantiate the same, learned Standing Counsel for the appellant – Corporation placed reliance on the decisions rendered by the Honourable Supreme Court in **Managing Director, Karnataka State Road Transport Corporation v. New India Assurance Company Limited and others with Managing Director, Karnataka State Road Transport Corporation and another v. Thippamma and others**<sup>1</sup>. It would suffice, if the law laid down by the Honourable Supreme Court in paragraph No.35 is extracted, which is thus:

“35. In view of the aforesaid discussion, we hold that the registered owner, insurer as well as KSRTC would be liable to make the payment of compensation jointly and severally to the claimants and KSRTC in terms of the lease agreement entered into with the registered owner would be entitled to recover the amount paid to the claimants from the

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<sup>1</sup> (2016) 2 SCC 382

owner as stipulated in the agreement or from the insurer.”

5. Hence, the appeal is allowed modifying the order and decree under challenge fastening joint and several liability on respondent Nos.2 to 4 herein also including the appellant to pay the compensation of Rs.67,500/- to respondent No.1 – claimant.

6. Miscellaneous Petitions, if any, pending in this appeal, shall stand closed. There shall be no order as to costs.

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**A. SHANKAR NARAYANA, J**

September 07, 2016.  
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