



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

Operations Department, Planning Section, Corporate office, RTC House, Vijayawada
No. P6/359(11)/2016-OPD(P) Dt. 06.10.2021.

Circular No. 16/2021-OPD-PLG, Dt. 06.10.2021

Sub:- Hiring of Buses – Transfer of Ownership of Hire Buses – Synchronizing the process simultaneously wrt Name change in RC, Insurance, agreement – Instructions issued – Reg:

- Ref:-
1. Circular No. 26/2009 – OPD(PLG), Dt. 29.07.2009.
 2. Circular No. 30/2011 – OPD(PLG), Dt. 23.06.2011.
 3. Circular No. 33/2016 – OPD(PLG), Dt. 01.12.2016.
 4. Circular No. 38/2016 – OPD(PLG), Dt. 14.12.2018.
 5. O1/E5/259(62)/2016 – RM(T), Dt. 23.04.2021.
 6. Lr No P9/359(24)/2020-OPD(P), Dt. 19.05.2021

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Vide circulars under reference cited, guidelines were communicated authorizing Executive Director, Zones to permit transfer of ownership of hire buses in favour of persons as nominated by the hire bus owners.

Change of ownership name of hire bus necessitates changes simultaneously in a synchronized manner on the following aspects also to ensure complete change of responsibilities from the existing hire bus owner to newly nominated hire bus owner :

1. To effect the name change in Registration certificate (RC) by Transport Department,
2. To effect the name change in insurance policy by Insurance Company,
3. To enter into agreement afresh with APSRTC for the remaining period of original agreement with Personnel Department at RM's office
4. To change the name of the owner in the records of APSRTC to ensure payment of monthly hire charges from the date of fresh agreement .

Vide case under reference 5th cited, RM/CTR has processed a case for a directive from the corporate office.

- Approval for extension of the hire agreement of Hire Bus No AP 03 TE 2792 for 5th and 6th year
- To impose penalty for submission of invalid insurance policy from 04.02.2020 to 03.02.2021
- Penalty for not effecting the name change in insurance policy immediate after change of ownership in RC of the above vehicle.

On examination of the case, the following lapses are noticed i.e even though the transferee effected name change in RC within 36 days of issue of NOC 1). not changed name in insurance policy 2). not entered into agreement 3). paid hire bills to the transferor for a period of 7 months 4). operated the hire bus 46 days with invalid insurance policy.

Contd.2

Operation of Hire Bus with invalid Insurance policy may cause loss of revenue to the corporation by way of reimbursement and legal complications making APSRTC liable to pay compensation, in case of the hire bus involves in accidents. In this regard vide reference 6th cited, National insurance Company was requested not to issue insurance policies without clearing cheque submitted by Hire Bus Owner.

In such cases the insurance amount reimbursed to the HB owner for invalid policy period shall be recovered, besides impose penalty equivalent to the amount reimbursed or Rs. 10,000/- whichever is higher as one time measure. For the invalid policy period, the owner shall submit indemnity bond on Rs. 100/- non judicial stamp paper that all claims and liabilities / litigations during the invalid insurance period of operation shall be borne by the Hire bus owner. If the same irregularity is repeated the hire agreement shall be terminated by issuing one/three months advance notice as the case may be.

In view of the above lapses, it is hereby advised to ensure the status of Name Change in RC, Insurance and agreement with new owner, before making payments of hire charges on the vehicles where NOC was issued for transfer of ownership.

If the Hire Bus owner is failed to produce required name changed documents to effect transfer of ownership and agreement within 45 days time of without penalty period, thereafter hire bills payable shall be stopped till completion of process.

All Regional Managers/Dy.CTMs are hereby instructed to make a note on this subject and during their visit to depots the same shall be verified and furnished in their periodical inspection report.

All other terms and conditions issued in this regard shall stands good.

Anil
08-X-2021
**Vice Chairman &
Managing Director**

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Copy to All RMs for information
Copy to OSD to VC & MD for information
Copy to All officers of the Corporation