

HONOURABLE SRI JUSTICE P. NAVEEN RAO

WRIT PETITION No.37516 of 2015

Date :07-01-2016

Between :

C Chandra Sekhar S/o C Raja Gopal
Unemployee D No 18-8-3, Madhuranagar,
Tirupati Chittor and others

Petitioners

And

State of A P
Rep by its Principal Secretary,
Endowments Department, Secretariat, Hyderabad and others

Respondents

The Court made the following:

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ORAL ORDER:

Late C Raja Gopal (hereinafter referred as ex-employee) was an

employee of Tirumala Tirupati Devasthanam. He died on 21.12.2014 while in service.

First petitioner herein made a claim for compassionate appointment and petitioners have submitted application for grant of terminal benefits accrued to the account of the ex-employee. By proceedings dated 4.11.2015 impugned in this writ petition, the competent authority of TTD apportioned the terminal benefits accrued to the account of ex-employee to petitioners 1,2 and 3 and 5th respondent. First petitioner is the son, second petitioner is wife, petitioners 3 and 4 are parents and 5th respondent is daughter of ex-employee.

2. The primary challenge to said apportionment is on the ground that 5th respondent was married in the year 2000 and was separated from the family and living separately. Married daughter is not entitled to get death benefits and there is no necessity of obtaining no objection from such person to secure employment on compassionate grounds. Learned counsel for petitioners contended that only unmarried daughter and widow are entitled to draw financial benefits accrued to the account of the ex-employee.

3. It is also contended that ex-employee nominated his wife in the service records as well to receive various benefits. Therefore second petitioner herein is alone entitled to receive the benefits accrued to the account of ex-employee and since nomination is given in favour of second petitioner, 5th respondent has no manner of right to claim share in the monetary benefits.

4. Learned standing counsel defended the action of the respondent Devasthanam. According to learned standing counsel, nomination only enables the nominee to receive the monetary benefits and does not automatically entitle the nominee to receive the money exclusively without apportionment of the money to members of the family of ex-employee.

5. In support of her contentions that nominee is only entitled to receive and it discharges the employer's liability to make the payments but apportionment of benefits shall have to be equitably distributed to the heirs in

accordance with Law of Succession and the 5th respondent being the daughter of ex-employee is also entitled to receive the benefits along with the petitioners, she places reliance on the following decisions:

6. **SARABATI DEVI AND ANOTHER Vs SMT USHA DEVI**^[1],
SHAIK DAWOOD AND OTHERS Vs MAHMOODA BEGUM AND
OTHERS^[2] and **K. GANGADHARA SRINATH Vs DR.K.BABU VENU**
GOPAL AND OTHERS^[3].

7. The basic facts are not in dispute. 5th respondent is daughter of ex-employee. The only issue for consideration is whether the decision of the employer to make eligible the 5th respondent also to receive the terminal benefits is valid in law?

8. For the service rendered by the ex-employee, certain monetary benefits have accrued to his account. On his death those benefits have to be paid by the employer to the members of the family of ex-employee. On the death of the employee the amount accrued to his account while he was in service become part of his estate and have to be distributed in accordance with Law of Succession. It is settled principle of law that merely because a person is nominated to receive the benefits that person alone would not be entitled to appropriate the proceeds notwithstanding the claim of the others as per the Law of Succession. The principle of law is no more res-integra. While interpreting Section 39 of the Insurance Act, 1938, Supreme Court in **SMT. SARABATI DEVI** held that nomination does not have the effect of conferring on the nominee any beneficial interest in the amount payable under life insurance policy on the death of the assured. The nomination only indicates the hand which is authorized to receive the amount, on payment of which, the insurer gets valid discharge of its liability under the policy, the amount however, can be claimed by the heirs of the assured in accordance with Law of Succession governing them (para 12).

9. This principle has been applied and extended to all other statutory provisions wherever such nomination is enforced, such as Provident

Fund Act, Chit Fund Act, etc.

10. Division Bench of this Court in **K. GANGADHARA SRINATH** held that “the nomination made for any purpose stands on the same footing as pointed by the Apex Court in the aforesaid decision (**SMT SARBATI DEVI**) and there cannot be any exclusion of any persons who are entitled to succession under their respective personnel law.....” It is further held that “aforesaid principles laid down by Apex Court would equally apply to the facts of this case and necessarily it has to be held that such mere nomination would not create any right in favour of the nominee as per the succession under personnel law” (para 14).

11. Having regard to the settled principle of law, as a consequence to the death of ex-employee, amounts accrued to his account become part of his estate and therefore, the daughter of the ex-employee, 5th respondent herein is equally entitled to receive the monetary benefits. I do not see any error in the decision of the employer in earmarking portion of the monetary benefits accrued to the account of the ex-employee to 5th respondent daughter.

12. Therefore, I see no merit in the writ petition and accordingly the same is dismissed. No costs. Having regard to the same, miscellaneous petitions, if any pending, are closed.

P NAVEEN RAO,J

DATE:07.1.2016
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HONOURABLE SRI JUSTICE P. NAVEEN RAO

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[\[1\]](#) (1984) 1 SCC 424
[\[2\]](#) 1986 ACJ 488
[\[3\]](#) 2005 (2) L.S 203(D.B.)