IN THE HIGH COURT OF ANDHRA PRADESH :: AMARAVATI

MONDAY, THE TENTH DAY OF MARCH
TWO THOUSAND AND TWENTY FIVE

PRESENT

HONOURABLE THE CHIEF JUSTICE SRI DHIRAJ SINGH THAKUR
AND
THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI

WRIT APPEAL Nos: 1072 OF 2022 AND 207 OF 2023

WRIT APPEAL NO: 1072 OF 2022

Writ Appeal under clause 15 of the Letters Patent preferred against the order Dated.22.11.2022 in W.P.No.26730 OF 2021 that has provided unsought relief to the Writ Petitioner and pass on the file of the High Court.

Between:

1. Karanam Raghava Rao, S/o. Subba Rao, aged about 65 years, Dr.No.35-065-432, Rahul Residency, ZPE Colony, Lawyerpet, Gandhinagar, Ongole, Prakasam District.
2. Karanam VenkatakChaliamma, W/o. Raghava Rao, aged 58 years Dr.No.35-065-432, Rahul Residency, ZPE. Colony, Lawyerpet, Gandhinagar, Ongole, Prakasam District.

...APPELLANTS/RESPONDENTS No.7 & 8

AND

1. Karanam Sirisha, W/o. Late Karanam Rahul (under protection of her father, GattimManikyalarao) Aged about 28 years, R/o. Dr.No.1-11-11/1, K.N.Road, Opp Bus Complex, Tadepalligudem, West Godavari District.

...RESPONDENT/WRIT PETITIONER

2. Insurance Regulatory and Development Authority, 3rd Floor, Parisrama Bhavan. Basheer Bagh Hyderabad - 500004 Telengana.
3. The Life Insurance Corporation of India, Jeevan Bima Marg, Nariman Point Mumbai, Maharashtra 400021.
4. LIC of India, Chirala Branch Chirala, Prakasam District.

5. LIC of India, Tadepalligudem Branch Tadepalligudem, West Godavari District.

6. HDFC Life Insurance Company Limited, 111h Floor, Lodha Execlus, Apollo Mills Compound N.M.Joshi Road, Mahalakshmi, Mumbai 400011 Maharashtra.

7. Max Life Insurance Axis Bank Limited, Door No.37-1-406/10,Trunk Road Opp LIC of India, Bhagya nagar, Ongole, Prakasam District.

...RESPONDENTS/RESPONDENTS

IA NO: 1 OF 2022

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to direct the Respondent Numbers 2,4 and 5 to pay the sum assured under the said policies along with accrued interest to the beneficial nominees in the light of premature arising of claims owing to untimely death of the insured who is none other than my son.

IA NO: 2 OF 2022

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to stay the impugned order dated.22.11.2022 in W.P.No 26730 of 2021.

Counsel for the Appellants : SRI MADDA LAKSHMINARAYANA

Counsel for the Respondent No.1 : SRI V. VENUGOPAL RAO SENIOR COUNSEL SRI B. SOMASEKHAR

Counsel for the Respondent No.2 : SRI M.V. SURESH

Counsel for the Respondent Nos.3 to 5 : SRI VALIVETI SREEDHAR

Counsel for the Respondent No.6 : SRI T.P. RAVI SHANKAR

Counsel for the Respondent No.7 : SRI D.RAVI KIRAN

WRIT APPEAL NO: 207 OF 2023

Writ Appeal under clause 15 of the Letters Patent preferred against Order dated 22-11-2022 in W.P No. 26730 of 2021 dismissing the Writ Petition the present Writ Appeal on the file of the High Court.

Between:

The Insurance Regulatory Development Authority, 3rd Floor, Parisram Bhavan, Basheer Bagh, Hyderabad - 500 004. Telangana

...APPELLANT/RESPONDENT No.1

AND

1. Karanam Sirisha, W/o. Late Karanam Rahul (Under Protection of her father, Gattim Manikyala Rao, aged about 28 years, R/o. Dr. No. 1-11-14/1, K.N. Road, Opp. Bus Complex, Tadepalligudem, West Godavari District.
2. The Life Insurance Corporation of India, Jeevan Bhima Marg, Nariman Point Mumbai, Maharashtra 400 021.
3. LIC of India, Chirala Branch, Chirala, Prakasam District.
4. LIC of India, Tadepalligudem Branch, Tadepalligudem, West Godavari District
5. HDF Life Insurance Company Limited, 11th Floor, Lodha Exterms, Apollo Mills Compound, N.M. Joshi Road, Mahalakshmi Mumbai - 400 011, Maharashtra
6. Max Life Insurance Axis Bank Limited, Door No. 37-1-406/10, Trunk Road, Opp. LIC of India, Bhagya nagar, Ongole, Prakasam District.
7. Karanam Raghava Rao, S/o. Subba Rao, Aged 65 years, Dr. No. 35-065, 432, Rahul Residency, ZPE Colony, Lawyerpet, Gandhinagar, Ongole,
8. Smt. Karanam Venkata Chalamma, W/o. Raghavarao, aged 58 years, Dr.No. 35-065, 432, Rahul Residency, ZPE Colony, Lawyerpet, Gandhinagar, Ongole.

...RESPONDENTS/RESPONDENTS

IA NO: 1 OF 2023

Petition under Section 151 CPC praying that in the circumstances stated in the affidavit filed in support of the petition, the High Court may be pleased to suspend the operation of the orders dated 22-11-2022 passed in

W.P.No. 26730 of 2021 so far as it relates to the Petitioner /Appellant in the above Writ Appeal.

Counsel for the Appellant : SRI M. V. SURESH

Counsel for the Respondent No.1 : SRI V. VENUGOPAL RAO SENIOR COUNSEL SRI B. SOMASEKHAR,

Counsel for the Respondent Nos.2 to 4 : SRI VALIVETI SREEDHAR

Counsel for the Respondent No.5 : SRI T.P. RAVI SHANKAR

Counsel for the Respondent No.6 : SRI D.RAVI KIRAN

Counsel for the Respondent No.7 : DR. S. ANANTH

Counsel for the Respondent No.8 : SRI MADDA LAKSHMINARAYANA

The Court made the following: COMMON JUDGMENT

APHC010718482022

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI

Bench
Sr.Nos:-
28 & 29
[3483]

WRIT APPEAL NO: 1072 of 2022 along with W.A.No.207 of 2023

W.A.No.1072 of 2022:

Karanam Raghava Rao and another ...Appellants

Vs.

Karanam Sirisha and 6 others ...Respondents

****

W.A.No.1072 of 2022:

Advocate for Appellants : Mr. Madda Lakshminarayana

Advocates for Respondents : Mr. B. Somasekhar
a/b Mr. V. Venugopal Rao, Sr. Counsel

Mr. Sreedhar Valiveti

W.A.No.207 of 2023:

Advocate for Appellant : Mr. M. V. Suresh

Advocates for Respondents : Mr. B. Somasekhar
a/b Mr. V. Venugopal Rao, Sr. Counsel

Mr. Sreedhar Valiveti

CORAM : THE CHIEF JUSTICE DHIRAJ SINGH THAKUR
SRI JUSTICE RAVI CHEEMALAPATI

DATE : 10th March 2025

P C :

The present set of Writ Appeals, under Clause 15 of the Letters Patent, have been preferred against the judgment and order, dated 22.11.2022, passed by the learned single Judge in W.P.No.26730 of 2021.

2. However, for purposes of convenience, facts mentioned in W.A.No.1072 of 2022 are being referred to.

3. The Petitioner - Karanam Sirisha, respondent no.1 in the present writ appeal, is the wife of late Karanam Rahul, who had insured himself heavily and obtained as many as six insurance policies from the Life Insurance Corporation of India, HDFC Life Insurance Company Limited and Max Life Insurance Axis Bank Limited.

4. The husband of the petitioner/respondent No.1 herein, however, in tragic circumstances, was murdered, and therefore, the issue which arose was with regard to the receipt of the insurance amount. In some of the policies obtained by the deceased, the mother of the deceased was nominated as a beneficial nominee, whereas in some, it was his father. Amounts covered under as many as four policies have since been encashed, leaving behind two major policies, both of which cumulatively amount to approximately Rs.11.50 Crores, which are still unpaid.

5. It is in that context and background that a writ petition vide W.P.No.26730 of 2021 came to be filed by the respondent No.1 herein, who is the wife of the deceased, seeking a mandamus to the official respondents not to release the benefits covered under the various policies in favour of the appellants, who are stated to be nominees in the said insurance policies.

6. Section 39 of the Insurance Act, 1938, after its amendment, deals with the nomination by the policyholder, which envisages that in the event of the death of the policyholder of the life insurance policy, the sum assured would be paid to the person registered as a nominee, and that such a payment would be valid discharge for the insurance company.

According to the amended provisions of Section 39, and in particular sub-section (7) and sub-section (8) thereof, the nominee reflected in the insurance policy is not just an agent or trustee of the legal heirs of the policyholder, but is conferred with an independent beneficial right over the money, which is covered under the policy.

7. The learned single Judge, in his judgment and order impugned, followed the principle to that extent, which was otherwise covered by a judgment of the Delhi High Court rendered in the case of ***Shweta Singh Huria and others Vs. Santosh Huria and another***[1].

8. On the basis of the amended provisions of Section 39 of the Act, 1938, undoubtedly, according to the learned single Judge, the money covered under the policies of insurance would go in the present case to the mother who was the beneficial nominee or to the father as such nominee.

9. However, the learned single Judge, with reference to Section 39 (2) of the amended provisions of the Act, 1938, observed that the nomination of a person in the insurance policy could be changed at any time before the

[1] AIR 2021 DEL 121

policy matured for payment or could be changed or cancelled by an endorsement or a further endorsement or a Will as the case may be.

Observing that the petitioner had set up a case of a Will in her favour by her deceased husband, the learned single Judge held that the Will would have to be proved in appropriate proceedings and that the insurers would have to avail the orders of the competent Court in relation to the said Will.

10. It is in those circumstances that the learned single Judge proceeded to direct Respondent No.1, 5, and 6 in the writ petition i.e., the Insurance Regulatory Development Authority, HDFC Life Insurance Company Limited, and Max Life Insurance Axis Bank Limited, to place all the sums assured, which have not been disbursed, in a fixed deposit and to pay the said sum assured along with interest to the person who succeeds in the litigation relating to the said Will.

11. On the previous dates of hearing, learned counsel for the appellants had urged that there was no basis for the learned single Judge to pass such an order, in as much as the plea that there was a Will executed in favour of the petitioner/respondent No.1 herein was nothing but a figment of their imagination.

12. With a view to determine as to whether any civil suit had been preferred in that regard, we had asked learned counsel for the respondent No.1 herein to inform us about the same.

It appears that, on the date when the judgment was passed by the learned single Judge, there was no civil suit filed or pending. However, subsequently, Original Suit No.165 of 2024 appears to have been filed, in which the petitioner/respondent No.1 herein, who is the plaintiff, has sought amongst others the relief in the shape of half of the amount along with interest, which has accrued thereupon on the insurance policies, which are mentioned under 'Schedule-B'.

13. Since the relief that was being sought by the petitioner/respondent No.1 herein was limited to claim only half of the insurance amount, we proposed to release the other half in favour of the appellants before us with a further suggestion to the appellants that if they agreed, the rest of the amount could be kept in a fixed deposit in terms of the order passed by the learned single Judge till such time the dispute was settled in O.S.No.165 of 2024.

14. Learned counsel for the appellants, upon instructions, made a statement that their clients are agreeable to the release of only half of the amount, with the other half to be kept in a fixed deposit to be released in favour of the party who succeeds in the civil suit, which is filed by the petitioner/respondent No.1 herein.

15. Be that as it may, we modify the judgment and order impugned, dated 22.11.2022, to the extent that half of the amount covered under the insurance policies i.e. Rs.11.50 Crores, which have not been disbursed till

now, along with 50% of the interest which has accrued thereupon, be released in favour of the appellants within one week from the date of receipt of a copy of this order.

We direct the insurance companies to transfer the rest of the amount to the account of the VII Additional District Judge, Vijayawada, which shall be kept in a fixed deposit at least for a period of seven (7) years and shall be released in favour of the successful party in the civil suit in O.S.No.165 of 2024 pending before the VII Additional District Judge, Vijayawada.

The direction issued, by virtue of the judgment and order impugned, dated 22.11.2022, to the Insurance Regulatory Development Authority to deposit the amount is set aside.

The Writ Appeals are, accordingly, disposed of. No costs.

Consequently, connected miscellaneous applications, if any, shall stand closed.

//TRUE COPY//

Sd/- K. TATA RAO
DEPUTY REGISTRAR

To,

SECTION OFFICER

1. Insurance Regulatory and Development Authority, 3rd Floor, Parisrama Bhavan, Basheer Bagh Hyderabad - 500004 Telengana.
2. The Life Insurance Corporation of India, Jeevan Bima Marg, Nariman Point Mumbai, Maharashtra 400021.
3. LIC of India, Chirala Branch Chirala, Prakasam District.
4. LIC of India, Tadepalligudem Branch Tadepalligudem, West Godavari District.
5. HDFC Life Insurance Company Limited, 11th Floor, Lodha Execlus, Apollo Mills Compound N.M.Joshi Road, Mahalakshmi, Mumbai 400011 Maharashtra.

6. Max Life Insurance Axis Bank Limited, Door No.37-1-406/10,Trunk Road Opp LIC of India, Bhagya nagar, Ongole, Prakasam District.
7. One CC to Sri Madda Lakshminarayana, Advocate [OPUC]
8. One CC to Sri Madda Lakshminarayana, Advocate [OPUC]
9. One CC to Sri M.V.Suresh, Advocate [OPUC]
10. One CC to Sri Sreedhar Valiveti, Advocate (OPUC)
11. One CC to Sri T.P. Ravi Sbhankar, Advocate (OPUC)
12. One CC to Sri D.Ravi Kiran, Advocate (OPUC)
13. One CC to Sri Dr.S. Ananth, Advocate
14. Three C.D. Copies.

Cnr

HIGH COURT

CNR

DATED:10/03/2025

COMMON JUDGMENT

WA.Nos.1072 of 2022 & 207 of 2023



DISPOSING THE WRIT APPEALS WITHOUT COSTS