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APHC010055522026

IN THE HIGH COURT OF ANDHRA PRADESH
AT AMARAVATI **[3332]**
(Special Original Jurisdiction)

TUESDAY, THE 13th DAY OF OCTOBER 2026

PRESENT:THE HONOURABLE SRI JUSTICE RAVI CHEEMALAPATI

WRIT PETITION NO: 3217/2026

Between:

1. SMT RATHOD RAJENDRA KUMARI,, W/O. RATHOD HARI RAM, AGED 64 YEARS, RIO. FLAT NO.501, TEJA PARADISE, VUDA PHASE 2, KURMANNAPALEM, NEAR GLORIA VIDYANIKETAN SCHOOL, DUVVADA, VISAKHAPATNAM, ANDHRA PRADESH-530046. AADHAAR BEARING NO.8890 7417 6595
2. SRI RATHOD HARI RAM,, S/O. RATHOD KISHAN NAYAK, AGED 65 YEARS, RIO. FLAT NO.501, TEJA PARADISE, VUDA PHASE 2, KURMANNAPALEM, NEAR GLORIA VIDYANIKETAN SCHOOL, DUVVADA, VISAKHAPATNAM, ANDHRA PRADESH -530046, AADHAAR BEARING' NO.5353 4368 6116.

...PETITIONER(S)

AND

1. HINDUSTAN PETROLEUM CORPORATION LIMITED, REP BY. CHAIRMAN AND MANAGING DIRECTOR, HPCL (VISAKHA REFINERY), JAMSHEDJI, TATA ROAD, POST BOX NO.11041, MUMBAI-400020, MAHARASHTRA STATE.
2. THE EXECUTIVE DIRECTOR, HINDUSTAN PETROLEUM CORPORATION LIMITED SRIHARIPURAM, MALKAPURAM, VISAKHAPATNAM, ANDHRA PRADESH-530011.

3. THE CHIEF GENERAL MANAGER HR, HINDUSTAN PETROLEUM CORPORATION LIMITED, MALKAPURAM, VISAKHAPATNAM-530011.
4. THE CHIEF GENERAL MANAGER, HINDUSTAN PETROLEUM CORPORATION LIMITED MALKAPURAM, VISAKHAPATNAM, ANDHRA PRADESH - 530011.
5. SMT BHANOTH SONUM, W/O. LATE RATHOD KAILASH NAYAK, AGED 35 YEARS, D/O. BHANOTH PHOOL SINGH, RIO. FLAT NO.401, SAI RUBY APARTMENT, MATRU SREE LAYOUT, PHASE IV, KURMANNAPALEM, VISAKHAPATNAM-530046,
6. UNION OF INDIA, REP BY SECRETARY, MINISTRY OF PETROLEUM AND NATURAL GAS, KARTAVYA BHAWAN-03, JANPATH ROAD, NEW DELHI - 110 001. R6 IS IMPLEADED AS PER THE COURT'S ORDER DT.12.03.2026 IN I.A.NO.02 OF 2026.

...RESPONDENT(S):

Petition under Article 226 of the Constitution of India praying that in the circumstances stated in the affidavit filed therewith, the High Court may be pleased to issue any Writ, order or direction more particularly one in the nature of Writ of Mandamus directing the respondent no. 1 to 4 not to process the death benefits of the deceased (Rathod Kailash Nayak) and not to disburse the death benefits and other benefits attached to the post of the deceased Manager Operation of Visakha Refinery (HPCL) without considering the petitioners notice dt. 17-01-2026 as illegal, arbitrary and in violation of principles of natural justice and violation of article 14 and 21 of the Constitution of India and in violation of the schedule to section 8 of Hindu Succession Act, 1956 consequently direct the respondents 1 to 4 not to disburse any death benefits and other benefits attached to the Manager Operation of Visakha Refinery (HPCL) of the deceased Rathod Kailash Nayak and to pass

IA NO: 1 OF 2026

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 respondents 1 to 4 not to disburse any death benefits and other

benefits attached to deceased Rathod Kailash Nayak pending disposal of the Writ Petition and to pass

IA NO: 2 OF 2026

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 May be pleased to implead the Proposed Respondent N0.6 as respondent N0.6 in the above writ Petition No.3217 of 2026, pending disposal of the above Writ Petition and pass

Counsel for the Petitioner(S):

1. S.MOHANA RAO

Counsel for the Respondent(S):

1. G V S GANESH

The Court made the following:

ORDER

This writ petition is filed seeking a direction to respondent nos. 1 o 4 not to process the death benefits of the deceased Rathod Kailash Nayak and not to disburse the death benefits and other benefits attached to the post of the deceased without considering the petitioners' notice dated 17.01.2026.

2. The contents of the petition, in brief, are that petitioners are parents and respondent no.5 is wife of the deceased Rathod Kailash Nayak, who died in harness while working as Manager Operations of Visakha Refinery (HPCL). That respondent no.5 used to live away from her husband and due to stress, mental agony, trauma meted by the respondent no.5 and lack of proper diet, their son died. That taking advantage of the fact that she being the wife was named as

nominee in the service records of the deceased, the respondent no.5 is trying to receive the death and other benefits recoverable on account of death of their son to appropriate the entire amount without reference to petitioner no.1-who being mother is Class-I legal heir is entitled to get her share. It is their further case that mere nomination as nominee would not entitled the respondent no.5 to withdraw and appropriate the entire amount. In view of the hectic efforts of the respondent no.5, the petitioners got issued legal notice to the respondent nos. 2 to 4 and also submitted protest letters dated 06.01.2026 and 07.01.2026 informing the respondent nos.1 to 4 that they have no right to process the death benefits unless the succession certificate or consent letter of petitioner no.1 is produced. However, wielding to the pressure and threats of respondent no.5, the authorities are trying to disburse the death benefits. Hence the writ petition.

3. The respondent nos. 1 to 4 filed counter affidavit denying the material averments of the writ affidavit and further contending that Kailash Nayak worked for HPCL from 31 March 2013 and ultimately became Senior Manager – Commissioning at Visakha Refinery. That during his employment, he had made official nominations naming his wife, Smt. Bhanoth Sonum, as the 100% nominee for benefits including Provident Fund (PF), Gratuity, Superannuation Benefit Fund Scheme (SBFS) and Other terminal benefits. After his death, the

benefits that are payable are arrived at PF balance –Rs. 42,98,617, SBFS-Rs.1,03,60,000, Leave encashment- Rs. 1,72,673, Gratuity-Rs. 12,95,047.50 and Group Term Life Insurance –Rs. 69,06,920, in total Gross payable is Rs. 2,30,33,257.50, out of which recoveries to be made are at Rs. 12,97,564.15 and therefore, the net payable is Rs. 2,17,35,693.35. That petitioners sent a legal notice dated 17.01.2026 asking HPCL to keep the benefits on hold. The parents subsequently informed HPCL that they had filed the writ petition and specifically requested that the benefits not be released to the widow. Because there are now competing claims and the matter is before the Court, HPCL has not released the death benefits. That HPCL is a neutral party in the family dispute, it does not want to permanently withhold legitimate benefits, but it considers itself legally constrained from disbursing them while the dispute is pending. That the respondents are ready and willing to process and release the full and final settlement dues in favour of the rightful beneficiaries as per the directions of this Court.

4. Heard Sri Sai Krishna, learned counsel for the petitioners, and Sri G.V.S.Ganesh, learned Standing counsel for respondent nos.1 to 4.

5. Sri Sai Krishna, learned counsel for petitioners, while reiterating the contents of the writ affidavit would contend that the deceased was a Hindu male who died intestate and under Sections 8, 9 and 10 read with the Schedule to the Hindu Succession Act, 1956, the widow and the mother (respondent no.5 and petitioner no.1) are Class-I heirs, therefore, the first petitioner has a direct and immediate succession claim which cannot be ignored merely because the fifth respondent is named as nominee.

He would further contend that nomination is a mechanism for identification/receipt of the amount and, unless the governing statute expressly gives the nominee beneficial title, nomination does not create a superior title over the legal heirs. Reliance was placed on ***Sarbati Devi v. Usha Devi***[1]; ***Vishin N. Khanchandani v. Vidya Lachmandas Khanchandani***[2]; ***Indrani Wahi v. Registrar of Cooperative Societies***[3]; and ***Shakti Yezdani v. Jayanand Jayant Salgaonkar***[4].

He would further contend that the Supreme Court's nomination jurisprudence requires the Court to distinguish between the power to receive an

[1].(1984) 1 SCC 424
[2].(2000) 6 SCC 724
[3].(2016) 6 SCC 440
[4].2023 INSC 1076

amount from the employer and the ultimate beneficial entitlement to the amount. Consequently, HPCL cannot convert a nominee's procedural right to receive money into a finding that the nominee alone owns the entire estate.

6. On the other hand, Sri G.V.S.,Ganesh, learned Standing Counsel for respondent nos. 1 to 4 while reiterating the contents of the counter-affidavit would contend that the respondent authorities would release the death benefits of the deceased employee as per the directions of this Court.

7. Perused the material available on record and considered the submissions made by learned counsel for the parties.

8. There is no serious dispute that respondent No.5 is the widow of the deceased and that she was nominated in the employer's records. There is also no serious dispute, for the purpose of the present writ petition, that petitioner No.1 is the mother of the deceased and asserts a claim as a Class-I heir.

9. A nomination ordinarily answers an administrative question i.e. to whom may the institution pay, transfer or release the benefit in accordance with the governing law or scheme. Succession answers a different question i.e. who is ultimately entitled to the beneficial interest in the property of a deceased person. The two questions may sometimes lead to the same person, but they are not

necessarily identical. Much depends upon the language of the statute, service rule, fund rule, insurance contract or scheme governing the particular benefit.

10. In ***Sarbati Devi v. Usha Devi*** (supra 1) the Supreme Court, while considering nomination under a life-insurance policy, explained in substance that nomination facilitates receipt of the policy amount and does not, merely by itself, displace the law of succession. The importance of the decision for the present case lies in the distinction between collection of the amount and beneficial ownership. At the same time, that case arose under the law governing life insurance; its principle cannot be mechanically applied to every employment benefit without first examining the rule governing that benefit.

11. In ***Vishin N. Khanchandani v. Vidya Lachmandas Khanchandani*** (supra 2) dealing with National Savings Certificates, the Supreme Court again recognised that the machinery enabling payment to a nominee does not necessarily settle the ultimate rights of heirs. This reinforces the need to keep the employer's obligation to make payment separate from a final adjudication of inheritance.

12. ***Indrani Wahi v. Registrar of Cooperative Societies*** (supra 3) illustrates the same distinction from another setting. A cooperative society may

be required, for its own statutory and administrative purposes, to recognise or transfer an interest in favour of a nominee. Such recognition does not, merely by itself, conclude every inter se claim of title among the legal heirs. The institution need not become a court of succession merely because rival family claims exist.

13. The principle was considered more broadly in ***Shakti Yezdani v. Jayanand Jayant Salgaonkar*** (supra 4). The Supreme Court rejected the proposition that nomination, merely because it is provided by statute, ordinarily creates an independent mode of succession overriding the general law of inheritance. Whether a nomination provision goes further and confers beneficial ownership must therefore be gathered from the particular enactment or scheme and its language.

14. Read together, these decisions do not support either extreme position. They do not justify saying that a nominee always becomes the absolute owner of every amount. Nor do they justify saying that a nomination is meaningless or that every payment must be frozen whenever an heir raises an objection.

15. This approach is particularly necessary here because the amount described by HPCL is not one homogeneous fund. It comprises Provident Fund, gratuity, a Superannuation Benefit Fund Scheme, leave encashment and Group

Term Life Insurance. Different statutory provisions, service rules, fund rules or contractual terms may govern these components.

16. A nomination is an estate planning tool designed to provide a smooth, immediate transition of assets upon death, preventing them from being frozen in bureaucratic delays**.** However, its legal effect is widely misunderstood: a nominee does not automatically become the absolute owner of the asset. Instead, a nominee typically acts as a legal trustee or custodian who holds the property in safekeeping. Unless specific laws state otherwise (such as for certain corporate shares or life insurance policies), the nominee is legally obligated to distribute the assets to the rightful legal heirs, either those named in a valid will or determined by intestate succession laws. Because a nomination does not supersede a will or override family inheritance rights, it should be carefully aligned with a comprehensive will to prevent future legal disputes.

17. Further, if an employer were ordained to decide the actual rights of inheritance, the entire purpose of nomination would be defeated, as it is meant to streamline the immediate disbursement of funds rather than determine legal ownership. Furthermore, forcing the employer into this role would unjustly burden the organization with adjudication responsibilities that it is neither legally

authorized nor qualified to perform. Legal inheritance is strictly a matter for a court of law, and a nominee acts merely as a trustee or receiver who holds the funds until the rightful heirs are legally established.

18. Therefore, the claim of the petitioner no.1 seeking a blanket restraint against disbursement unless a succession certificate or the consent of petitioner No.1 is produced. Such a universal condition cannot be imposed on the material presently before the Court. A succession certificate is not shown to be an invariable statutory prerequisite for every component of an employee's terminal benefits. The requirement, if any, must flow from the law or scheme applicable to the particular amount.

19. Therefore, the employee organization cannot be restrained from disbursing the amount to the person nominated by the deceased employee as per their service register. However, it is made clear that nomination cannot have the effect of overriding the general law of inheritance and the respondent no.5 can only act as trustee and has to pay the amount to the heirs entitled as per law of succession and inheritance. Therefore, the petitioner no.1 will have a right to seek for her share in the amount received by respondent no.5 from the employee organization.

20. In view of the above, this writ petition is dismissed. It is made clear that the petitioner no.1 can claim her legitimate share in the death benefits from respondent no.5 and in case of her failure, she can agitate for redressal of her grievance before appropriate Forum. There shall be no order as to costs.

Pending miscellaneous petitions, if any, shall stand closed.

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JUSTICE RAVI CHEEMALAPATI

13th October, 2026

RR

Whether the order is :

Speaking Yes/No ✓ / Reasoned Yes/No ✓

Reportable Yes/No ✓ / Non-Reportable Yes/No ✓