



**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

**Civil Appeal No.9836 of 2026
(Arising out of SLP (C) No.522 of 2026)**

Kirty Agarwal

.... Appellant

Versus

Chief Operating Officer and Ors.

.... Respondents

ORDER

Leave granted.

2. The appellant is concerned with the disbursal of the proceeds of a life insurance policy taken out by her husband, who is no more. The 6th respondent is her father-in-law who was recorded as the nominee in the policy. The High Court directed the money to be disbursed to the father-in-law who was the writ petitioner, on the trite principle that a nominee holds the money in trust for the persons entitled to succeed to the estate of the deceased.

3. Admittedly, there are two succession cases bearing Succession Case No.686 of 2025 titled as “Kirty Agarwal v. Raj Kumari Mishra” and Succession Case No.567 of 2025 titled as “Raj Kumari Mishra v. Kirty Agarwal” filed before the jurisdictional

Court, one by the wife and the other by the mother; the wife of the 6th respondent.

4. When the matter was taken up yesterday, Shri Gaurav Agarwal, learned Senior Counsel appearing for the appellant fairly submitted that the appellant is willing to forsake 50% of the proceeds which, in any event, is duly entitled to the mother. The wife and the mother are the only legal heirs. The appellant, hence, gave up the contention that in fact, the entire money is due to her, who was initially recorded as a nominee and also the claim that the entire premiums were paid by her, since the husband was unemployed.

5. We put the proposal to the learned Counsel appearing for the respondent, who sought time to take instructions. We noticed that the 6th respondent was present in person before Court. The learned counsel sought time to confirm with her client and came back and sought one day's time.

6. Today, when the matter was taken up, the learned counsel who was appointed by the Legal Services Committee sought recusal on the ground that the 6th respondent wanted to instruct another counsel. We take note of the recusal by the learned counsel, but we are not inclined to cede to such dilatory tactics.

7. Admittedly, the policy was taken out by the husband who is now no more. The father at the time of death was recorded as the nominee. The appellant has given up her claims to the entire proceeds and has withdrawn her contention with respect to the payment of premiums of the policy. Admittedly, there were disputes between the couple, they were estranged and there were proceedings pending between them. A divorce petition was also filed by the husband but before its culmination, he died on 01.10.2024, as revealed from the Death Certificate produced as Annexure P12. The mother and the wife are the only Class I heirs entitled to succeed to the estate of the deceased.

8. In the above circumstances, on the trite principle that the nominee holds the money in trust for the person entitled to succeed, we direct the 6th respondent to pay half of the proceeds to the appellant herein within a period of two months from today, either by demand draft or by direct transfer into her bank account. If the amount is not paid within two months, it shall carry interest at the rate of 12% per annum from the date of disbursal by the insurer to the 6th respondent, till the date of payment.

9. Insofar as the aforesaid succession cases, the parties shall produce a copy of this order before the competent Court and if there are no other assets to be partitioned, the cases shall be closed. The

appellant also fairly concedes that she would not proceed with FIR No.288/2024 filed under Sections 498A, 506 read with Section 34 of the Indian Penal Code, 1860 arising out of a complaint before the CAW Cell, Delhi Cantt., pending before the Vasant Kunj Police Station. Further proceedings in the FIR shall stand stayed for a period of two months and on payment being made as directed hereinabove, the 6th respondent would be entitled to produce the proof of such payment before the Station House Officer, Vasant Kunj Police Station who shall put an end to the investigation and file a Closure Report before the jurisdictional Magistrate.

10. With the above observations, the appeal stands allowed making it clear that since the learned counsel appointed by the Legal Services Committee had appeared twice before this Court, she shall be paid the fees due to her.

11. Pending application(s), if any, shall stand disposed of.

..... J.
(J. B. PARDIWALA)

..... J.
(K. VINOD CHANDRAN)

**NEW DELHI;
JULY 28, 2026.**