

Manjula v. D.A. Srinivas

Neutral Citation: 2026 INSC 465

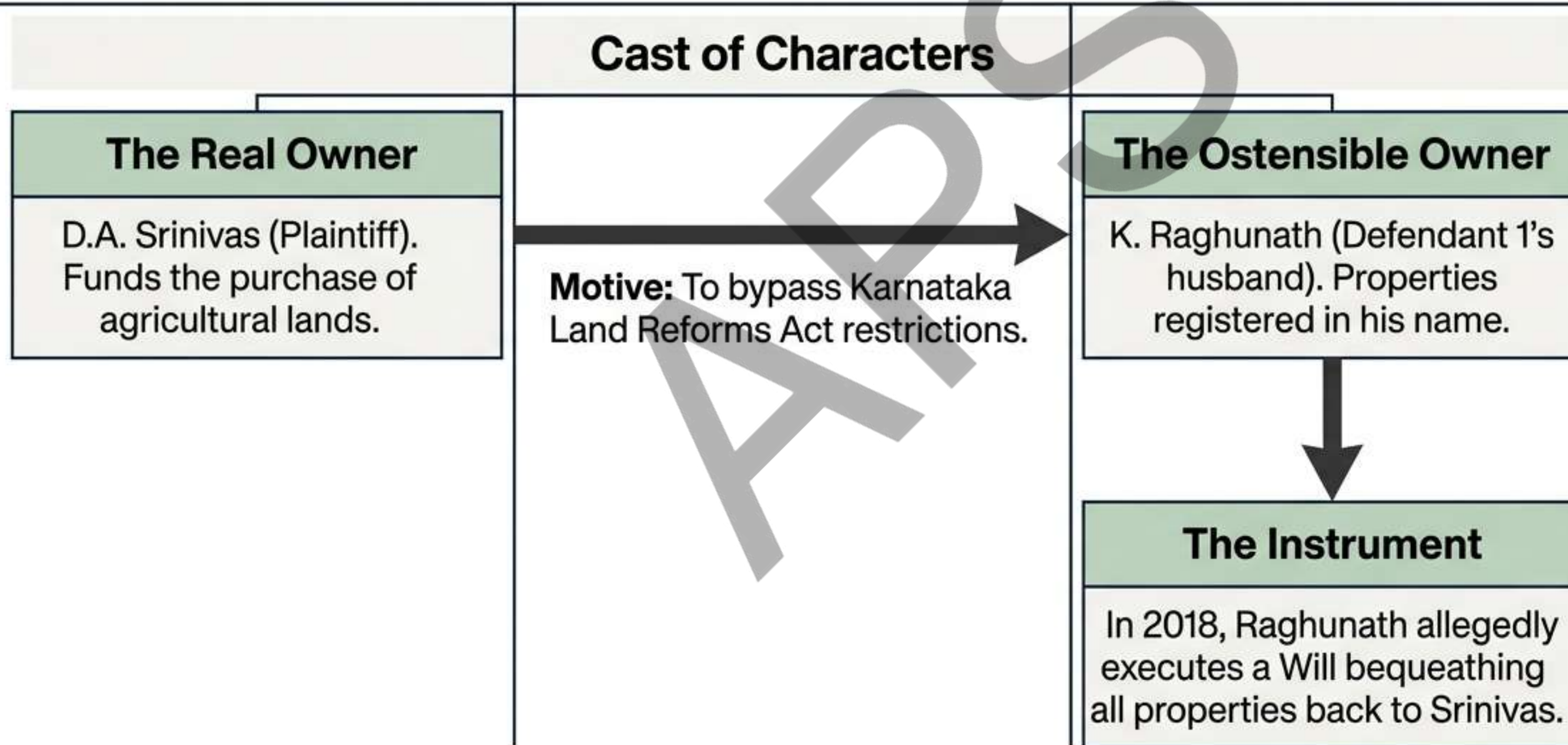
Coram: Pardiwala & Mahadevan, JJ.

**Code of Civil
Procedure,
1908 (CPC)**

**Hindu
Succession
Act, 1956 (HSA)**

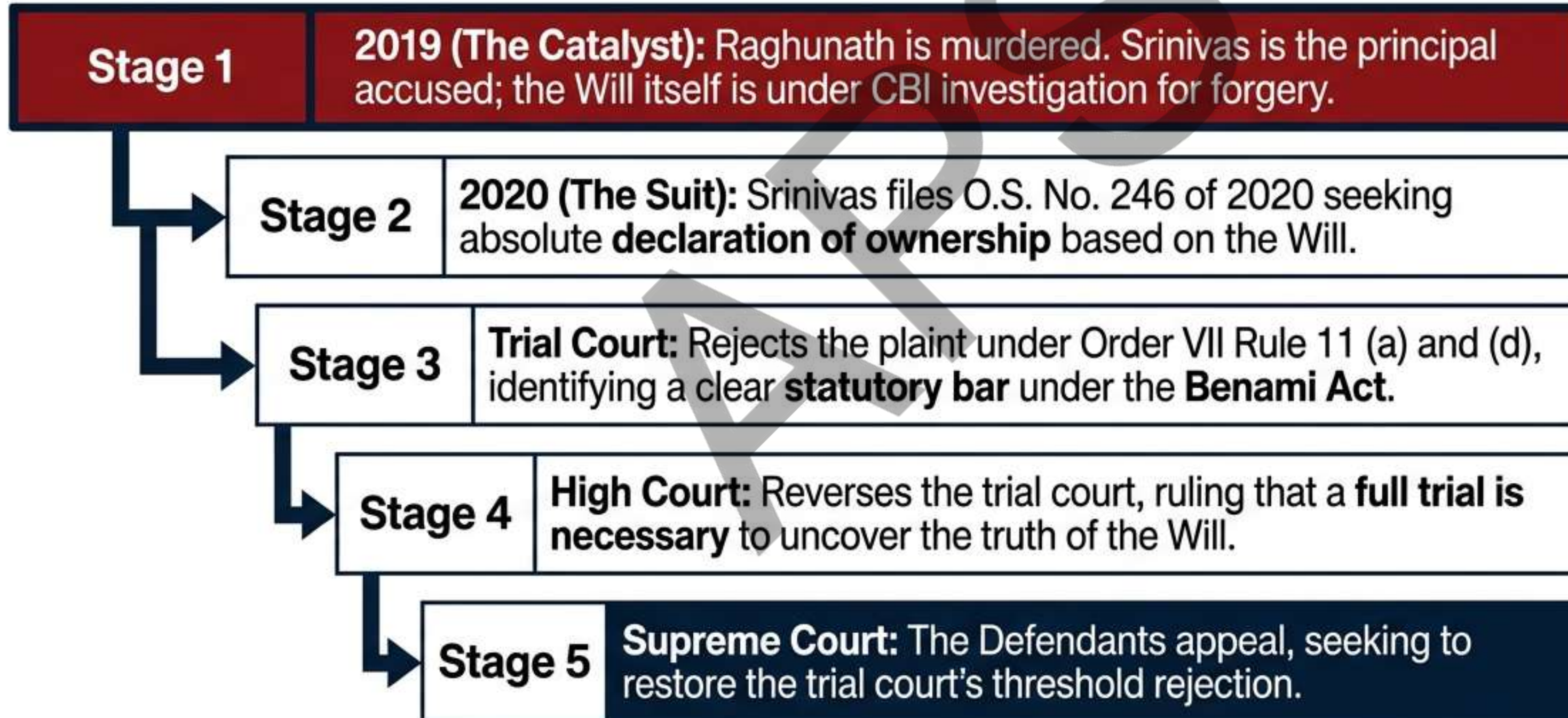
**Prohibition of
Benami Property
Transactions
Act, 1988**

Facts of the Case: The Acquisition & The Will



The Core Admission:
The Plaintiff's own pleading admitted he supplied the funds but caused lands to be registered in the deceased's name.

Facts of the Case: The Murder & The Litigation



CPC Issues

1. What are the strict legal principles governing the rejection of a plaint under Order VII Rule 11, specifically regarding 'clever drafting'?

2. What is the interplay between Order VII Rule 11 (rejection of plaint) and Order XIV Rule 2 (preliminary issues)? Must a court frame issues and wait for a trial when a statutory bar is evident?

Court's Holding on CPC Issues: The Sword Prevails

The Sword: O VII R 11

- Operates on the face of the plaint + annexed documents (O VII R 14).
- The word 'shall' dictates mandatory rejection.
- Courts must actively pierce 'clever drafting.' If an implied bar exists, nip the sham litigation in the bud.

The Shield: O XIV R 2

- Operates after pleadings are complete.
- Requires a written statement first to decide pure questions of law.

Order VII Rule 11 trumps Order XIV Rule 2. Once a Rule 11 application is filed, it must be decided first and without waiting for a written statement, preventing vexatious trials.

Hindu Succession Act (HSA) Issues

Section 25 HSA

Disqualifies a person who commits or abets murder from inheriting the victim's property.

1. Does Section 25 bar a person accused of murder from inheriting via a Will (testamentary succession), or does it only apply to intestate succession?

2. Does this civil disqualification require a prior criminal conviction beyond a reasonable doubt?

Court's Holding on HSA Issues

Testamentary Disqualification

Section 25 applies to both intestate and testamentary succession.

A murderer cannot inherit via a Will. (Extends the **Vellikannu** principle).

Evidentiary Standard

A criminal conviction is NOT a condition precedent.

Civil courts operate independently on a 'preponderance of probabilities.'

Scope of Crime

'Murder' under Section 25 includes culpable homicide (Section 304 IPC).

Maxim: Ex turpi causa non oritur actio. No man may benefit from his own wrong.

Benami Transaction Act Issues

Issue 1: The Admission

Does the Plaintiff's own pleading of funding the property constitute a prohibited Benami transaction under Section 4?

Issue 2: Temporal Operation

Does the 2016 Benami Amendment operate prospectively or retrospectively/retroactively?

Issue 3: The Lifeline

Can the Plaintiff claim the 'Fiduciary Capacity' exception under Section 2(9)(A)(ii) based on an employer-employee relationship or commercial MoU?

Court's Holding on Benami Issues

The Vatika Township Test

Retrospective / Retroactive

Declaratory, procedural, curative, and civil confiscation machinery (Sections 24-27). Operates retroactively to capture past illicit transactions.

Prospective Only

Penal provisions (new offences/enhanced punishments), strictly shielded by Article 20(1).

Fiduciary Exception

The Court narrowly defined 'fiduciary' as requiring a strict legal trust (e.g., trustee-beneficiary, director-company). Employer-employee relationships, commercial MoUs, and close friendships do **NOT** qualify.

The Final Verdict

- 1. High Court order is SET ASIDE.**
- 2. Trial Court's rejection of the plaint under O VII R 11 is RESTORED.**
- 3. The transactions are conclusively declared BENAMI.**
- 4. The Consequence: Central Government is directed to appoint an Administrator and confiscate the properties under Section 27 within 8 weeks.**

Result:
Neither the wrongdoer plaintiff nor the innocent legal heirs retain the property.

New Legal Principles (Part 1)

1

Benami Retrospectivity: The 2016 Amendment operates retrospectively for civil confiscation. Article 20(1) shields only penal retrospectivity, not civil in rem confiscation. (Note: The Ganptanpati Dealcom judgment holding otherwise stands recalled).

2

Constitutional Confiscation Shortcut: Once a Constitutional Court conclusively determines a transaction is Benami, Section 27 confiscation flows automatically. The Adjudicating Authority machinery is bypassed.

New Legal Principles (Part 2)

3

Testamentary Disqualification: Section 25 HSA applies definitively to Wills. Wrongdoers cannot inherit via testamentary succession.

4

Evidentiary Standard for Disqualification: A criminal conviction is not required to trigger civil inheritance disqualification; the civil standard of preponderance of probabilities is sufficient.

**Thanks from Abhay Pratap
Singh - Your Partner In Your
Journey To Success.**

APS Judicial Academy

Phone: 8803288032

Website: apslaw.in