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# Manjula & Ors. v. D.A. Srinivas, 2026 INSC 465

*A Teaching Note on Benami Bar, Order VII Rule 11 C.P.C., and Section 25 of the Hindu Succession Act, 1956*

*Prepared for APS Judicial Academy — HJS / ADJ Aspirants*



## A. Cause Title and Full Citation Block

**Cause title:** Manjula and Others v. D.A. Srinivas

**Court:** Supreme Court of India, Civil Appellate Jurisdiction

**Case number:** Civil Appeal No. 7370 of 2026 [arising out of S.L.P. (C) No. 7924 of 2024]

**Neutral citation:** 2026 INSC 465

**Reported citation:** 2026 LiveLaw (SC) 478

**Coram (Bench):** Hon'ble Mr. Justice J.B. Pardiwala and Hon'ble Mr. Justice R. Mahadevan (Division Bench)

**Author of the judgment:** Hon'ble Mr. Justice R. Mahadevan

**Date of judgment:** 8 May 2026

**Nature of proceeding:** Civil appeal by special leave directed against the judgment of the High Court of Karnataka at Bengaluru dated 22.02.2024 in R.F.A. No. 2216 of 2023 (DEC/INJ).

### **Counsel appearing:**

*For the Appellants (Defendants):* Mr. Mukul Rohatgi, Senior Advocate; Mr. C.S. Vaidyanathan, Senior Advocate; Mr. Mahesh Thakur, AOR; Ms. Anuparna Bordoloi, Mr. Narveer Yadav, Mr. Siddhartha Sati, Mr. Dhanush M, Mr. Ajay Pal Singh, Ms. Ruchi Kumari, Mr. Akshay Kumar and Ms. Sai Tanishka K, Advocates.

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*For the Respondent (Plaintiff):* Mr. Vikas Singh, Senior Advocate; Mr. Gagan Gupta, Senior Advocate; Mr. T.M. Shivakumar, Mr. Deepak Goel, AOR; Ms. Deepika Kalia, Ms. Vasudha Singh, Mr. Sudeep Chandra, Ms. Laxmi Pundir, Ms. Simmi Bagga and Ms. Sanjana, Advocates.

**Statutes principally involved:**

- Code of Civil Procedure, 1908 — Order VII Rules 11, 13 and 14; Order XIV Rule 2; Sections 26, 27, 35A, 148, 149 and 151;
- Prohibition of Benami Property Transactions Act, 1988 (pre-amendment) — Sections 3, 4 and 6;
- Benami Transactions (Prohibition) Amendment Act, 2016 — particularly Section 2(8), 2(9), 2(9)(A) (exceptions including fiduciary capacity), Sections 24–27, 45, 46 and 65;
- Hindu Succession Act, 1956 — Sections 5, 25, 27 and 30;
- Indian Succession Act, 1925 (Part VI on Wills);
- Indian Contract Act, 1872 — Sections 10 and 23;
- Karnataka Land Reforms Act, 1961 — Sections 79A and 79B;
- Companies Act, 2013 — Section 166 (referred for fiduciary duty);
- Constitution of India — Articles 20(1) and 20(2) (qua retrospectivity and double jeopardy of confiscation).



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## B. Brief Snapshot / One-Paragraph Holding

In a 146-page judgment authored by Mahadevan, J., the Hon'ble Supreme Court has held that where a plaintiff's own pleadings disclose, in substance, that he had funded the purchase of properties in the name of another (the 'ostensible owner'), and seeks to recover those properties on the strength of a Will subsequently executed in his favour by that ostensible owner, the suit is in pith and substance an enforcement of a benami arrangement, barred by Section 4 of the Prohibition of Benami Property Transactions Act, 1988, and the plaint must be rejected at the threshold under Order VII Rule 11(a) and (d) C.P.C. The Court further held that Section 25 of the Hindu Succession Act, 1956 disqualifies a person accused of the murder of the propositus from inheriting the latter's estate, and that the bar applies *equally to testamentary as to intestate succession*; that conviction is not a condition precedent — preponderance of probabilities suffices in the civil sphere; that the 2016 Amendment to the Benami Act, in its declaratory, procedural, curative and confiscatory aspects, operates retrospectively/retroactively; that an employer–employee or commercial MoU arrangement is not a 'fiduciary capacity' within Section 2(9)(A)(ii); and that a contract structured to defeat the Karnataka Land Reforms Act is void under Section 23 of the Contract Act. The High Court was reversed, the trial Court's order rejecting the plaint was restored, and the Central Government was directed to appoint an Administrator and take over the suit properties for confiscation under Section 27 of the Benami Act within eight weeks.



## C. Facts of the Case

The dispute is over agricultural lands situated in Bengaluru Rural District, Karnataka. The principal dramatis personae are:

1. **K. Raghunath** — the registered owner / ostensible owner of the suit-schedule properties; he died on 04.05.2019 in suspicious circumstances.

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2. **Smt. Manjula** (Appellant No. 1) — widow of late K. Raghunath.
  3. **Sri K.R. Pradeep and Sri K.R. Rohith** (Appellant Nos. 2 and 3) — sons of late K. Raghunath. Together they are the natural Class-I heirs.
  4. **D.A. Srinivas** — son of one D.K. Adikesavalu. He is the plaintiff/respondent, and is the principal accused in the murder of K. Raghunath.

The factual matrix as gleaned from the plaint and accompanying documents is as follows. Late K. Raghunath was associated with the family of D.K. Adikesavalu (the Plaintiff's father) and had purchased agricultural lands during 2006 and 2011, the sale deeds reflecting that consideration was paid by Raghunath himself. According to the Plaintiff, however, the moneys for these acquisitions had in truth been provided by him; he caused them to be registered in Raghunath's name only because Sections 79A and 79B of the Karnataka Land Reforms Act, 1961 disabled him (as a non-agriculturist whose income exceeded the statutory ceiling) from purchasing agricultural land directly. The Plaintiff claimed that pursuant to certain MoUs, Raghunath was holding the land for him in a 'fiduciary capacity' akin to a trusted employee/agent, and that on 20.04.2018 Raghunath executed a registered Will in his favour bequeathing all the suit lands to him.

The Appellants/Defendants gave a wholly different version. According to them, the suit properties were the *self-acquired* properties of late K. Raghunath, who had executed an *earlier* registered Will dated 28.01.2016 bequeathing them to his wife (Appellant No. 1). On the strength of that 2016 Will, mutation had been effected in their favour, and they had been in peaceful possession. Their case was that the Plaintiff, aggrieved by the closeness between Raghunath and Adikesavalu, conspired and caused the murder of Raghunath. Two FIRs — Crime No. 0089/2020 dated 05.03.2020 and Crime No. 0148/2020 dated 15.09.2020 — came to be registered against the Plaintiff and other accused. Subsequently, the C.B.I. began investigating the genuineness of the 20.04.2018 Will on the allegation, *inter alia*, that the stamp papers used had been printed *after* the death of the testator. The Plaintiff was arrested in connection therewith and stated to be

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in custody since 22.12.2025.



## **D. Procedural History**

1. **Trial Court:** O.S. No. 246 of 2020 was instituted by the Plaintiff before the Principal Senior Civil Judge, Bengaluru Rural District, seeking declaration of title, rectification of the schedule of the 20.04.2018 Will, and permanent injunction. The Defendants filed I.A. No. V under Order VII Rule 11(a) and (d) C.P.C. praying that the plaint be rejected as disclosing no cause of action and as barred by Sections 4 and 6 of the Benami Act. By order dated 30.10.2023, the trial Court allowed the application and rejected the plaint, holding that the plaint, on a meaningful reading, disclosed a benami arrangement and was hit by the statutory bar.

2. **High Court:** The Plaintiff preferred R.F.A. No. 2216 of 2023 (DEC/INJ) before the High Court of Karnataka at Bengaluru. By judgment dated 22.02.2024, the High Court (Chief Justice P.S. Dinesh Kumar and T.G. Shivashankare Gowda, J.) reversed the trial Court, holding that the plaint did not, on its face, attract the Benami Act and that the suit could not be nipped in the bud at the threshold; the suit was restored to the file of the trial Court for adjudication on merits.

3. **Supreme Court:** The Defendants preferred S.L.P. (C) No. 7924 of 2024. By order dated 08.04.2024, the Hon'ble Court issued notice and stayed further proceedings before the trial Court. Leave was granted on 08.05.2026 and the appeal was numbered C.A. No. 7370 of 2026, and was decided the same day.



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## **E. Issues Framed by the Supreme Court**

The judgment, while not numbering issues in the strict sense, organises its analysis under heads which constitute the issues framed for decision. They may be reproduced in the Court's own framing as follows:

1. What are the legal principles governing rejection of a plaint under Order VII Rule 11 C.P.C., and what is the role of the trial Court at the stage of admission of a plaint?
2. What is the interplay between Order VII Rule 11 and Order XIV Rule 2 C.P.C.?
3. Whether the suit instituted by the Plaintiff is barred by law within the meaning of Order VII Rule 11(d) C.P.C., specifically:
  - (a) Whether, on a meaningful reading of the plaint and the documents annexed thereto, the transaction set up by the Plaintiff constitutes a 'benami transaction' within the meaning of Section 2(9) of the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016)?
  - (b) Whether the Benami Transactions (Prohibition) Amendment Act, 2016 operates prospectively or retrospectively/retroactively?
  - (c) Whether the Plaintiff is entitled to the benefit of the 'fiduciary capacity' exception under Section 2(9)(A)(ii) of the amended Act, on the basis of an asserted employer–employee / MoU relationship?
  - (d) Whether a Will executed by the benamidar in favour of the real owner, claimed to be a testamentary disposition under Section 30 of the Hindu Succession Act, 1956, takes the plaintiff's claim outside the prohibitions in Sections 3 and 4 of the Benami Act?
  - (e) Whether Section 25 of the Hindu Succession Act, 1956 — disqualification of a murderer — bars the Plaintiff's claim on the strength of the Will, given that he stands accused of the murder of the testator K. Raghunath; and whether such bar applies to testamentary as well as intestate succession?

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(f) Whether the contract / MoUs structured to circumvent Sections 79A and 79B of the Karnataka Land Reforms Act, 1961 are lawful within the meaning of Sections 10 and 23 of the Indian Contract Act, 1872?

4. What are the reliefs to which the Appellants/Defendants are entitled, including the question of confiscation under Section 27 of the Benami Act?



## **F. Court's Findings on Each Issue with Reasoning**

### **Issue 1 — Order VII Rule 11 and the role of the trial Court**

The Hon'ble Court reaffirmed and synthesised the law from *T. Arivandandam v. T.V. Satyapal*, (1977) 4 SCC 467; *Liverpool & London S.P. & I Assn. Ltd. v. M.V. Sea Success I*, (2004) 9 SCC 512; *Saleem Bhai v. State of Maharashtra*, (2003) 1 SCC 557; *Popat & Kotecha Property v. SBI Staff Association*, (2005) 7 SCC 510; *Hardesh Ores (P) Ltd. v. Hede & Co.*, (2007) 5 SCC 614; *Madanuri Sri Ramachandra Murthy v. Syed Jalal*, (2017) 13 SCC 174; *Dahiben v. Arvindbhai Kalyanji Bhanusali (Gajra)*, (2020) 7 SCC 366; and *RBANMS Educational Institution v. B. Gunashekar*, 2025 LiveLaw (SC) 429.

The principal holdings (paragraphs 8 to 9.7) are:

- (i) Order VII Rule 11 is a *mandatory* and independent remedy; the word 'shall' is determinative. Once any of the grounds in clauses (a) to (e) is made out, the Court has *no option* but to reject the plaint.
- (ii) The plaint must be subjected to a 'meaningful and not merely formal reading', along with the documents annexed to it under Order VII Rule 14. The bar under law may be either *express or by necessary implication*.
- (iii) 'Clauses (a) and (d) are stand-alone provisions. Yet, depending upon the facts of each case, they may also overlap. Similarly, if by clever drafting a fictional cause of action is created to veil a bar under law, it is

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imperative for the Court to reject the plaint.’

(iv) Most strikingly, in paragraph 9.3, the Court held that admission of the plaint is *not* automatic. It is the duty of the trial Court, even *before issuing summons*, to verify that the plaint satisfies the requirements of Order VII Rule 11. ‘A trial Court cannot mechanically admit the plaint and register the suit. Admission of the plaint cannot be a mechanical process by which the note of the Registry is merely endorsed by the Court ... It is not necessary for the trial Court to wait for the defendant to enter appearance and seek rejection of the plaint.’

(v) In paragraph 9.5, the Court emphasised that suppression of a material fact creating an *illusory* cause of action is fraud upon the Court and an independent ground for rejection. The Plaintiff had suppressed the fact that he stood accused of the murder of the testator and that the C.B.I. was investigating the very Will on which the suit was founded.

(vi) Rule 13 of Order VII does not save a plaintiff where the suit itself is barred by law; it only enables presentation of a fresh plaint where the rejection was for non-disclosure of cause of action or curable defects (paragraph 9.7).

## **Issue 2 — Interplay between Order VII Rule 11 and Order XIV Rule 2**

After detailed analysis of *R.K. Roja v. U.S. Rayudu*, (2016) 14 SCC 275; *Nusli Neville Wadia v. Ivory Properties*, (2020) 6 SCC 557; *Sukhbiri Devi v. Union of India*, 2022 SCC OnLine SC 1322; and *Srihari Hanumandas Totala v. Hemant Vithal Kamat*, (2021) 9 SCC 99, the Court held (paragraph 10.7):

*‘while Order VII Rule 11 and Order XIV Rule 2 are distinct procedural mechanisms, both are designed to prevent unnecessary trials in cases where the suit is barred in law. The former operates where the defect is evident on the face of the plaint; the latter applies where a pure question of law arises upon admitted or undisputed foundational facts after pleadings are complete.’*

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An application under Order VII Rule 11 may be moved at *any stage*, but once moved must be decided *first*, before further trial; it cannot, however, be used as a stratagem to retrieve the lost opportunity to file a written statement.

### **Issue 3(a) — Benami nature of the transaction**

The Court held that, on a holistic reading of the plaint and the sale deeds, the Plaintiff's own case was that he had supplied the entire consideration but caused the lands to be registered in K. Raghunath's name owing to disability under the Karnataka Land Reforms Act. This squarely satisfies the definition of 'benami transaction' under Section 2(9) of the 2016-amended Benami Act — a transaction where the property is held by the ostensible owner for the benefit of the person providing the consideration. Drawing on *Valliammal (D) by LRs v. Subramaniam*, (2004) 7 SCC 233, the Court applied the six classical *indicia* of benami (source of money, possession, motive, relationship, custody of title deeds, and conduct after purchase) and held the transaction was unmistakably benami.

### **Issue 3(b) — Retrospective/Retroactive operation of the 2016 Amendment**

This is the doctrinally most significant holding. The Court held (paragraph 22.15) that the 2016 Amendments, '*insofar as they are declaratory, procedural, curative and machinery-oriented, operate retrospectively/retroactively, while penal provisions creating new offences or enhancing punishment can operate only prospectively.*' The Court relied on *Zile Singh v. State of Haryana*, (2004) 8 SCC 1; *CIT v. Vatika Township (P) Ltd.*, (2015) 1 SCC 1; *Ghanashyam Mishra & Sons v. Edelweiss ARC*, (2021) 9 SCC 657; and *Mithilesh Kumari v. Prem Behari Khare*, (1989) 2 SCC 95.

It expressly noted that the appellants' reliance on *Union of India v. Ganpati Dealcom Pvt. Ltd.*, (2023) 3 SCC 315 was misplaced because that judgment had been *recalled* by the Supreme Court on 18.10.2024 in (2024) SCC OnLine SC 2981 — restoring the appeal for fresh adjudication. Confiscation

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under the Act, being a civil consequence, is not hit by Article 20(1) or 20(2) of the Constitution.

### **Issue 3(c) — ‘Fiduciary capacity’ exception**

The Court rejected the Plaintiff’s plea under Section 2(9)(A)(ii) on three independent grounds:

(i) *No foundational pleading.* The plaint did not so much as plead the existence of a fiduciary relationship; the plea was thrown up only at the bar. A statutory exception cannot be raised de hors the pleadings.

(ii) *Substantive insufficiency.* Drawing upon *Marcel Martins v. M. Printer*, (2012) 5 SCC 342 and *Sangramsinh P. Gaekwad v. Shantadevi P. Gaekwad*, (2005) 11 SCC 314, the Court held that fiduciary capacity arises where one is ‘bound to protect the interests of another and must not derive personal gain from that position of trust.’ A routine employer–employee relationship is *not* a recognised fiduciary relationship; nor does the law ordinarily recognise a fiduciary tie between a company/director and its employee. The relationship must be of entrustment, loyalty and duty — trustee–beneficiary, principal–agent, or analogous.

(iii) *Commercial MoUs* between the parties were contractual arrangements for commercial purpose; they cannot be re-characterised as fiduciary trusts.

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### Issue 3(d) — Will as a device

The Court held that the Plaintiff's contention — that the suit is ‘founded on the Will, not on the benami transaction’ — was a transparent attempt at clever drafting. The Will dated 20.04.2018 was the *vehicle* by which the Plaintiff sought to retrieve property held benami; it was not an independent cause of action. To accept the argument would mean that every benami arrangement could be sanctified by getting the benamidar to execute a Will in favour of the real owner — a result the statute plainly forbids. The Court observed: ‘*From the use of proxies in earlier times to modern layered transactions, the separation of real ownership from ostensible title has long been employed as a device to evade legal restraints. ... Courts, however, are concerned not with the façade, but with the substance that lies beneath it.*’

### Issue 3(e) — Section 25 HSA: the murderer's disqualification

This is the most quoted holding of the case. The Hon'ble Court held (paragraph 25.10–25.11 and 29-v):

(i) Section 25 read with Section 27 of the Hindu Succession Act, 1956 disqualifies a person who *commits or abets* the commission of murder from inheriting the property of the murdered person. By force of Section 27, such person is to be treated as having predeceased the intestate.

(ii) **Conviction is not a condition precedent.** Section 25 imposes a *civil* consequence; the standard of proof is preponderance of probabilities, independent of the criminal standard of beyond reasonable doubt.

(iii) **The expression ‘murder’ in Section 25 includes culpable homicide** — even where the prosecution may end in conviction under Section 304 IPC.

(iv) **The bar applies equally to testamentary succession.** Reading Sections 25, 27 and 30 of the HSA together, and noting that Section 30 expressly recognises testamentary succession by Hindus, the Court held that ‘*the Hindu Succession Act contemplates both intestate and testamentary succession. Consequently, the bar under Section 25 applies*

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*equally to a person who seeks to inherit the estate of the deceased through testamentary succession.'*

(v) The disqualification rests on the equitable maxim *ex turpi causa non oritur actio* and the principle that no man may benefit from his own wrong, recognised in *Kenchava Kom Sanyellappa Hosmani v. Girimallappa Channappa Somasagar* (Privy Council, 1924) and codified by Sections 25 and 27.

(vi) The Court approved and applied *Vellikannu v. R. Singaperumal*, (2005) 6 SCC 622, particularly the principle that '*once the son is totally disinherited then his whole stock stands disinherited*' — and extended it logically to a testamentary claimant.

### **Issue 3(f) — Lawfulness of the contract / MoUs**

The Court held that any contract/MoU structured to evade Sections 79A and 79B of the Karnataka Land Reforms Act is hit by Section 23 of the Indian Contract Act, 1872, the object being one that, if permitted, would 'defeat the provisions of any law'. The contract is therefore void; rights cannot be founded upon it. This is consistent with the doctrine '*what cannot be done directly cannot be done indirectly.*'

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## Issue 4 — Reliefs and confiscation

Setting aside the High Court's order, the Hon'ble Court restored the trial Court's order rejecting the plaint. Going further, it held that since a competent judicial determination declaring the transaction benami had attained finality, the bar under Sections 45 and 65 of the Benami Act (which restrict the jurisdiction of civil courts vis-à-vis the Adjudicating Authority) does not operate against the High Court or the Supreme Court; therefore confiscation under Section 27 of the Benami Act may follow as a direct consequence, without relegating the parties to fresh adjudicatory proceedings under Sections 24–26. Significantly, the Court also held that the Appellants/Defendants — though innocent legal heirs — could not retain the properties either, because they had failed to prove that K. Raghunath had acquired them out of his own independent funds; the properties were thus liable to be vested in the Central Government.



## G. Final Order / Relief

- (i) The judgment of the High Court of Karnataka dated 22.02.2024 in R.F.A. No. 2216 of 2023 was set aside.
- (ii) The order of the trial Court dated 30.10.2023 in I.A. No. V in O.S. No. 246 of 2020, rejecting the plaint, was *restored*.
- (iii) The Hon'ble Court declared the transactions covered by the suit-schedule properties to be *benami* within the meaning of Section 2(9) of the Benami Act.
- (iv) The Central Government was directed to appoint an Administrator and take over the suit properties for confiscation under Section 27 of the Benami Act *within eight weeks*.
- (v) It was further ordered that *no court shall henceforth entertain any claim* founded upon the said benami transaction.
- (vi) The appeal was disposed of accordingly.



## H. Implications of the Judgment

**(i) For practitioners drafting plaints.** The judgment is a stern warning against *clever drafting*. Any plaint that, on a holistic reading along with the documents annexed (Order VII Rule 14), discloses an arrangement that is in substance benami, will be liable to summary rejection — even if the words ‘benami’ or ‘ostensible ownership’ are studiously avoided. Counsel must also ensure full and frank disclosure: any suppression of material fact (here, the fact that the Plaintiff was the prime accused in the murder of the testator and that the Will was under C.B.I. investigation for forgery) is independent ground for rejection and amounts to fraud upon the Court.

**(ii) For Order VII Rule 11 jurisprudence.** The decision occupies the field along with *Dahiben, Saleem Bhai, Sea Success* and *T. Arivandandam*. Three propositions are likely to be cited repeatedly: (a) trial Courts must verify Order VII Rule 11 compliance *before* issuing summons — admission of a plaint is not a mechanical Registry endorsement; (b) the bar under law may be express *or by necessary implication*; (c) Order VII Rule 11 and Order XIV Rule 2 are mutually supportive, not inconsistent — the former tests the plaint on its face, the latter tests it on admitted/foundational facts after pleadings.

**(iii) For Section 25 HSA jurisprudence.** This is the first authoritative pronouncement of the Supreme Court extending Section 25 to *testamentary* succession. Earlier, *Vellikannu* dealt with intestate succession (joint family property by survivorship). *Manjula* now closes the loop. Equally important, the Court has settled the long-standing controversy about whether a *conviction* is a precondition: it is not. The civil consequence may be visited on the strength of preponderance of probabilities. Further, ‘murder’ in Section 25 has been read to include culpable homicide. A teaching note for HJS aspirants must mark these as fresh additions to the doctrine. The position of legal heirs who claim *through* the murderer continues to be governed by *Vellikannu* — they too cannot succeed, since ‘once the son is

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totally disinherited then his whole stock stands disinherited.’

**(iv) For benami pleadings post-2016.** Three significant takeaways: (a) the 2016 Amendment is retrospective in its declaratory, procedural, curative and confiscatory aspects, though prospective for new offences and enhanced punishments — this resolves the doubt left by *Ganpati Dealcom* (recalled in 2024); (b) the ‘fiduciary capacity’ exception under Section 2(9)(A)(ii) is to be construed narrowly; ordinary employer–employee or commercial MoU relationships do not qualify; (c) once a civil court of competent jurisdiction declares a transaction benami and the determination attains finality, confiscation under Section 27 may follow without separate Sections 24–26 proceedings — a development of considerable practical importance. The judgment also reinforces that the deleted spousal/daughter exceptions in old Section 4(3) have been replaced (with substantial revisions) by the exceptions in Section 2(9)(A) of the amended Act, which require, in addition, that consideration must flow from ‘known sources of income’.



## **I. Precedential Value — Lays Down / Follows / Distinguishes / Overrules**

The judgment is a **declaratory** ruling that materially extends, but does not overrule, existing law.

**Follows:** *T. Arivandandam* (1977) 4 SCC 467 (clever drafting); *Liverpool & London S.P. & I Assn. Ltd.* (2004) 9 SCC 512 (the ‘Sea Success’ test); *Saleem Bhai* (2003) 1 SCC 557 (stage at which Rule 11 may be invoked); *Dahiben* (2020) 7 SCC 366 (synthesised Rule 11 principles); *Hardesh Ores* (2007) 5 SCC 614 (substance over form); *Madanuri Sri Ramachandra Murthy* (2017) 13 SCC 174 (nipping bogus litigation in the bud); *R.K. Roja* (2016) 14 SCC 275 (Rule 11 application has primacy over written statement); *Valliammal* (2004) 7 SCC 233 (indicia of benami); *Vellikannu v. R. Singaperumal* (2005) 6 SCC 622 (murderer–disqualification doctrine, including in particular the ‘whole stock’ principle); *Marcel Martins* (2012)

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5 SCC 342 (fiduciary capacity); *Vatika Township* (2015) 1 SCC 1, *Zile Singh* (2004) 8 SCC 1 and *Mithilesh Kumari* (1989) 2 SCC 95 (retrospective operation of curative/declaratory amendments); *Sopan Sukhdeo Sable* (2004) 3 SCC 137 and *K.D. Sharma v. SAIL* (2008) 12 SCC 481 (suppression of material facts).

**Distinguishes:** *Pawan Kumar v. Babulal* (2019) 4 SCC 367 and *Shaifali Gupta v. Vidya Devi Gupta* (2025 INSC 739) (where the Court had held that the question whether a transaction is benami or saved by an exception is a mixed question of fact and law not amenable to Order VII Rule 11). The Court distinguished these on the ground that *here* the plaint itself unambiguously disclosed benami character; no factual investigation was needed. *N. Ramaiah v. Nagaraj S.* (2001 SCC OnLine Kar 191) was also distinguished — a Will is undoubtedly not a ‘transfer’ inter vivos, but the suit was not in substance founded on the Will alone; it was a device to enforce the underlying benami arrangement.

**Notes (and proceeds without applying):** *Union of India v. Ganpati Dealcom Pvt. Ltd.* (2023) 3 SCC 315, expressly noting that the said judgment was *recalled* by the three-judge Bench order of 18.10.2024, (2024) SCC OnLine SC 2981.

**Lays down new principles:** (a) the bar under Section 25 HSA applies to testamentary succession; (b) ‘murder’ in Section 25 includes culpable homicide; (c) conviction is not a condition precedent for the Section 25 disqualification — preponderance of probabilities suffices; (d) the procedural, curative and confiscatory parts of the 2016 Benami Amendment operate retrospectively/retroactively; (e) once a civil court determination of benami nature attains finality, confiscation under Section 27 may follow without resort to Sections 24–26 of the Benami Act; (f) trial Courts must verify Order VII Rule 11 compliance even *before* admitting the plaint and issuing summons; and (g) the duty of the trial Court to summarily reject suppression-laden plaints, with costs.

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The judgment does not overrule any earlier decision. Its standing is that of a watershed pronouncement on the interface of Order VII Rule 11 C.P.C., the Benami Act, and Sections 25/27 of the Hindu Succession Act.



## **J. Hard Multiple-Choice Questions of HJS / ADJ Standard**

**Question 1. In *Manjula v. D.A. Srinivas*, 2026 INSC 465, the Hon'ble Supreme Court held with respect to Section 25 of the Hindu Succession Act, 1956 that —**

- (a) The disqualification operates only upon recording of conviction under Section 302 IPC; if the criminal trial ends in acquittal, no civil disqualification can be imposed.
- (b) The disqualification operates against a person who commits or abets the commission of murder, conviction is not a condition precedent, and the issue may be examined on preponderance of probabilities; further, the bar applies to both intestate and testamentary succession, and 'murder' includes culpable homicide.
- (c) The bar in Section 25 applies only to intestate succession; testamentary dispositions under Section 30 of the Act are governed exclusively by the Indian Succession Act, 1925, and Section 25 has no application to them.
- (d) The disqualification ceases to operate if the alleged murderer was a juvenile in conflict with law at the relevant time, or where the offence is compoundable under Section 320 of the Cr.P.C.

**Correct answer: (b).**

*Explanation:* Option (b) reproduces the express ratio in paragraphs 25.10, 25.11 and 29-v — as quoted by the Court itself: '*The disqualification operates against a person who commits murder or abets the commission of murder. The provision does not make conviction a condition precedent. The provision imposes a civil consequence ... may be examined on the standard*

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*of preponderance of probabilities, independent of the strict standard of proof applicable to criminal prosecution.’ Further, ‘the bar under Section 25 applies to both intestate and testamentary succession’ and ‘the expression ‘murder’ occurring in Section 25 would include culpable homicide.’*

Option (a) is wrong because the Court expressly held that the bar is a *civil* consequence, which can be visited even where there has been no conviction; civil and criminal proceedings operate in distinct evidentiary spheres. Option (c) is wrong because the Court read Sections 25, 27 and 30 conjointly and squarely held that the bar applies to testamentary succession also — this is the principal innovation of the case and the answer that HJS examiners are most likely to flag. Option (d) is wrong because the Court did not introduce any age-based or compoundability exception; Section 25 is rooted in public policy and the maxim *ex turpi causa non oritur actio*, both of which are agnostic to such considerations.



**Question 2. Among the following, which option *correctly* states the position laid down in *Manjula v. D.A. Srinivas*, 2026 INSC 465 on the temporal operation of the Benami Transactions (Prohibition) Amendment Act, 2016?**

- (a) The 2016 Amendment is purely prospective; it applies only to transactions entered into on or after 01.11.2016, following the unrecalled ratio of *Union of India v. Ganpati Dealcom Pvt. Ltd.*, (2023) 3 SCC 315.
- (b) The 2016 Amendment is wholly retrospective in all respects, including its penal provisions creating new offences, and the Plaintiff in the case was charged on that basis.
- (c) The 2016 Amendments, insofar as they are declaratory, procedural, curative and machinery-oriented, operate retrospectively/retroactively, while penal provisions creating new offences or enhancing punishment can operate only prospectively; the *Ganpati Dealcom* decision relied on

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by the Plaintiff stood recalled.

(d) The Court declined to express any view on the temporal operation of the 2016 Amendment and remitted the question to a larger Bench.

**Correct answer: (c).**

*Explanation:* This is the precise formulation in paragraph 22.15. The Court applied the ‘*Vatika Township*’ test on retrospectivity and held that curative, declaratory, procedural and machinery provisions operate retrospectively. It expressly noted that *Ganpati Dealcom* (2023) 3 SCC 315 had been recalled by the order dated 18.10.2024 in (2024) SCC OnLine SC 2981.

Option (a) is wrong on both counts — the 2023 *Ganpati Dealcom* judgment was recalled, and the Court rejected pure prospectivity. Option (b) is wrong because the Court was careful to preserve the constitutional protections under Articles 20(1) and 20(2) — penal provisions that create new offences or enhance punishments cannot be applied retrospectively. Option (d) is factually incorrect; the Court itself decided the question.



**Question 3. The Plaintiff in *Manjula v. D.A. Srinivas* sought to bring his claim within Section 2(9)(A)(ii) of the Prohibition of Benami Property Transactions Act, 1988 by pleading a fiduciary relationship with K. Raghunath. Which of the following best states the Hon'ble Court's holding on this point?**

(a) The Court accepted the plea, holding that a long-standing employer-employee relationship coupled with execution of MoUs is sufficient to constitute a fiduciary capacity, and remanded the matter for trial.

(b) The Court rejected the plea on three independent grounds: (i) absence of foundational pleadings of fiduciary relationship in the plaint; (ii) ordinary employer–employee or commercial MoU arrangements are not ‘fiduciary capacity’ in the legal sense, which requires entrustment, loyalty, and a duty not to derive personal gain; and (iii) the question of

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fiduciary capacity does not arise dehors the pleadings, particularly where the High Court itself had not restored the suit on that ground.

(c) The Court held that fiduciary capacity is a mixed question of fact and law and must, in every case, be decided after a full trial; consequently, the plaint could not be rejected at the threshold under Order VII Rule 11.

(d) The Court held that the deletion of the original Section 4(3) of the Benami Act in 2016 means that the fiduciary exception was no longer available at all, and on that basis rejected the plea.

**Correct answer: (b).**

*Explanation:* The Court rejected the fiduciary plea on the precise three-fold reasoning in option (b). It relied on *Marcel Martins* (2012) 5 SCC 342 and *Sangramsinh P. Gaekwad* (2005) 11 SCC 314 to define fiduciary capacity as one founded on entrustment, loyalty, and the duty not to derive personal gain — and concluded that an employer–employee/MoU arrangement does not satisfy this test. It also held that the Plaintiff could not invoke a statutory exception that was not pleaded in the plaint at all.

Option (a) is wrong on the facts and on the law: the Court did *not* accept the plea, and held that an employer–employee relationship is not in itself fiduciary. Option (c) is partially correct as a general proposition (cf. *Pawan Kumar v. Babulal and Shaifali Gupta*) but in this case the Court distinguished those rulings — the plaint *itself* disclosed the benami character, and the fiduciary exception had not been pleaded. Option (d) is doctrinally wrong; the fiduciary exception continues to exist in the amended Act under Section 2(9)(A)(ii) and its scope was actually examined.



**Question 4. As per *Manjula v. D.A. Srinivas*, 2026 INSC 465, which of the following statements correctly captures the interplay between Order VII Rule 11 and Order XIV Rule 2 C.P.C.?**

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(a) Order VII Rule 11 and Order XIV Rule 2 are mutually exclusive — once issues are framed under Order XIV, the plaint cannot be rejected under Order VII Rule 11; *Saleem Bhai v. State of Maharashtra* stands impliedly overruled.

(b) Order VII Rule 11 operates where the defect is evident on the face of the plaint and the documents annexed, requiring no evidence; Order XIV Rule 2 enables decision of a pure question of law (jurisdiction or bar to suit) on admitted/foundational facts after pleadings are complete; both serve the goal of preventing unnecessary trials, and an application under Order VII Rule 11 once filed must be decided first before further trial.

(c) Order XIV Rule 2 has been superseded by the Commercial Courts Act, 2015 in commercial matters, and consequently has no role to play in Order VII Rule 11 enquiries.

(d) Once a defendant fails to file an application under Order VII Rule 11 along with the written statement, the right is lost forever, and only Order XIV Rule 2 is then available.

**Correct answer: (b).**

*Explanation:* This is the precise formulation of the Court in paragraph 10.7 and 29 (summary of principles): ‘Under Order VII Rule 11, the Court does not embark upon disputed questions of fact, nor can it rely upon the defence in the written statement to reject the plaint. Under Order XIV Rule 2, however, the Court may examine whether a pure question of law arises on admitted facts so as to obviate a full-fledged trial.’ The Court further held, following *R.K. Roja* (2016) 14 SCC 275, that an application under Order VII Rule 11 once filed must be decided first.

Option (a) is wrong: the two provisions are not mutually exclusive — they serve distinct procedural roles. *Saleem Bhai* was followed, not overruled. Option (c) is fictitious; there is no such carve-out by reason of the Commercial Courts Act, 2015. Option (d) is contrary to the express holding that Order VII Rule 11 may be invoked at any stage of the suit, even after

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pleadings, though it cannot be used as a stratagem to retrieve a forfeited right to file a written statement.



*Caveat to the reader: While the broader holdings of the case as captured above have been verified from the published judgment (2026 INSC 465; 2026 LiveLaw (SC) 478) and from contemporaneous reports in LiveLaw, Verdictum, The Tribune, Telangana Today, Deccan Chronicle and the CaseCiter digest, paragraph numbers cited for specific propositions correspond to the structure of the official judgment as reproduced in those sources. Where the user wishes to rely on this note for examination drafting, the paragraph references in Headings F and J should be checked against the printed signed copy of the judgment — particularly Findings (Part V, paragraph 29) and the summarised principles (sub-paragraphs (i) to (xi) in the conclusion) — to ensure pinpoint accuracy.*

*This teaching note is intended for use by APS Judicial Academy in its HJS / ADJ classroom and self-study material. It is to be read alongside the bare text of Section 25 and Section 27 of the Hindu Succession Act, 1956; Order VII Rule 11 and Order XIV Rule 2 of the C.P.C.; and the relevant exceptions in Section 2(9)(A) of the Prohibition of Benami Property Transactions Act, 1988, as amended in 2016.*