

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

**Criminal Appeal No.....of 2026
[@ Special Leave Petition (Crl.) No.1358 of 2026]**

**Madasa Masih-UI-Uloom Educational
and Charitable Trust**

...Appellant

Versus

State of Karnataka & Ors.

...Respondents

ORDER

Leave granted.

2. The appellant, a Trust is aggrieved with the impugned order passed by the High Court, which refused to interfere with the order of LXXXI Additional City Civil and Sessions Judge, Bengaluru. The appellant is a Trust and the petitioners before the Special Court and the High Court where the Managing Trustees and the Trust as petitioner Nos.1 and 2. The discharge application was in toto rejected and the Trust alone has filed an appeal to this Court.

3. The allegation in the case is very clear from the impugned order, which has extracted the order of the Special Court extensively. One M/s I Monetary Advisory Private Limited (hereinafter referred to as 'IMAP Limited') and its group companies were engaged in various businesses including financial. Investments were collected from various people and eventually it led to the investors/depositors filing complaints for reason of their investments having not been refunded. Numerous FIRs were registered by a Special Investigation Team (SIT) constituted by State of Karnataka and some by the State Anti-Corruption Bureau (ACB) under the Prevention of Corruption Act, 1988. Eventually the provisions of Delhi Special Police Establishment Act, 1946 was invoked and the matter was assigned to the CBI, who is represented by Sri Kanakamedla Ravindra Kumar, learned Additional Solicitor General. Sri Nagamuthu, learned Senior Counsel appeared for the petitioners.

4. According to Sri Nagamuthu, the question whether a Trust is a juristic person or not has been referred to a three-Judge Bench as is evident from order dated 24.10.2024 in

Administrator Smt. Tara Bai Desai Charitable Ophthalmic Trust Hospital Jodhpur v. Managing Director Supreme Elevators India Pvt. Ltd. & Ors.¹ and other cases, but despite such reference being pending, a co-ordinate Bench has taken a view that a Trust is not a juristic person and cannot sue or be sued, in ***Sankar Padam Thapa v. Vijaykumar Dineshchandra Agarwal***². Sri Kanakamedla Ravindra Kumar submits that the cited case is one under Section 138 of the Negotiable Instruments Act, 1881, whereas herein the proceedings are under the IPC as also Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (Act of 2004). There is also clear money trail found to the Trust is the contention.

5. Looking at the allegations from the records as has been noticed by the Special Court, it is levelled against the accused who were in Management of the IMAP Limited and the second respondent, who was a trustee of the appellant herein. It is categorically alleged that the second respondent

¹ (2025) 3 SCC 80

² 2025 SCC Online SC 2194

was responsible for promoting the activities of IMAP Limited, among the community, projecting that they were following the Islamic tenets, insofar as the financial activities carried out. The allegation is also that the Managing Trustee, who was accused No.32, had obtained funds for propagating and furthering the business of IMAP Limited among the community members, through the proceeds of which he indulged in real estate business and purchased large extents of property, buildings and so on. An allegation is also raised that the Managing Trustee had associated with the Directors of IMAP Limited to raise funds for the Trust, who was in the process of carrying out constructions in the educational institutions run by the Trust. Money is thus said to have been accepted as donation by the Trust, which has led to the Trust also being arrayed as an accused.

6. We have to immediately notice the decision in ***Sankar Padam Thapa***², which had considered the impact of a reference, which has not been answered and in which there is no order passed to await the outcome of the reference itself. It has referred to the decision of this Court in

Administrator Smt. Tara Bai Desai Charitable Ophthalmic Trust Hospital Jodhpur¹, A.P. Electrical Equipment Corporation v. Tahsildar and Ors.³ to hold unequivocally that “the principle has long been settled that for questions of law, in the case of conflict between equal Bench-strength judgments, the earlier view alone should be followed” as conclusively stated in ***National Insurance Company Limited v. Pranay Sethi⁴***, by a Constitution Bench of 5 Judges. Hence the learned Judges followed the decision in ***Pratibha Pratisthan v. Manager, Canara Bank⁵***, which was in the context of Consumer Protection Act, 1986; in which it was held that a Trust is not a person and therefore, could not be a consumer. Thus, disabling a Trust to raise a consumer dispute. Interpreting Section 3 and 13 of the Trusts Act, it was held that a Trust does not have a separate legal existence of its own, making it incapable of suing or being sued, since it is only an obligation annexed to the ownership of the property arising out of a confidence reposed in and accepted

³ 2025 SCC Online SC 447

⁴ (2017) 16 SCC 680

⁵ (2017) 3 SCC 712

by the owner or declared and accepted by him, for the benefit of the another, or of another and the owner. The obligation to maintain or defend suits is placed on the shoulders of a Trustee and not on the Trust itself.

7. We follow the above dictum and hold that the Trust is not liable to be arrayed as an accused, it being a concept not capable of being termed as a juristic person. The allegation of acceptance of money is also by the Trustee who is the second respondent against whom the prosecution is continuing. We hence direct that the proceedings in Spl. C. No.1055 of 2019 pending in the Court of LXXXI Additional City Civil and Sessions Judge (Special Court dealing with cases related to elected former and sitting MPs/MLAs in the State of Karnataka), Bengaluru shall not be proceeded with against the appellant herein.

8. We interfere with the proceedings only to that extent and not with the proceedings commenced and continued against the other accused.

9. The appeal stands allowed.

10. Pending application(s), if any, shall stand rejected.

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

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

**NEW DELHI;
SEPTEMBER 10, 2026.**