

Raja Kannappan v Maanvili d/o Jaganathan
[2011] SGHC 160

Case Number : Divorce Suit No 3100 of 2006/W
Decision Date : 05 July 2011
Tribunal/Court : High Court
Coram : Woo Bih Li J
Counsel Name(s) : Manickavasagam Pillai (Manicka & Co) for the plaintiff (husband); Eric Liew and Nandwani Manoj Prakash (Gabriel Law Corporation) for the defendant (wife).
Parties : Raja Kannappan — Maanvili d/o Jaganathan

Family Law

5 July 2011

Woo Bih Li J:

Introduction and background

1 This case involves a determination of the ancillary matters which arose from the divorce between the plaintiff (“the husband”) and the defendant (“the wife”). At the end of the hearing, I ordered the matrimonial assets to be divided in the proportion of 80:20 between the husband and the wife. I also ordered the husband to pay the wife maintenance at \$2,000 per month beginning from October 2005. The wife has filed an appeal against my decision.

2 The parties registered their marriage on 3 September 1993 and underwent their customary marriage on 10 July 1994. In 2000, their relationship began to sour and a writ of divorce was eventually filed by the husband on 17 July 2006. On 9 January 2007, an interim judgment for divorce was granted. At the time of the hearing of the ancillary matters before me, both the husband and the wife were 44 years old. The parties did not have any children in their marriage.

3 The matrimonial assets which were liable to be divided were, *inter alia*, a Housing Development Board flat in Woodlands (“the HDB property”), a private condominium unit along Bukit Timah Road in a project known as The Hillside (“the Hillside condominium”), some insurance policies, shares as well as some bank account balances held in the parties’ own individual names.

4 Before me, the husband submitted that all the matrimonial assets should be divided in the proportion of 80:20 in his favour. The main basis for that submission was that the Hillside condominium, shares and insurance policies were purchased using the income generated by a business of which he claimed to be the owner and operator. The business was originally started in October 1995 as a sole proprietorship known as VPK Technical Services and was subsequently incorporated under the name VPK Engineering Pte Ltd in December 1997. The Hillside condominium was purchased on 22 August 1997 at the price of \$896,080 using “profits from VPK Technical Services and director’s fees and salaries from VPK Engineering Pte Ltd and monies acquired after selling some shares and trust”. [\[note: 1\]](#)

5 As far as the HDB property was concerned, both parties agreed that the husband contributed

95% of the purchase price of the property solely from his own financial resources and not monies from either VPK Technical Services or VPK Engineering Pte Ltd. [\[note: 2\]](#) Both parties also agreed that the remaining 5% of the purchase price of the HDB property was contributed by the wife independently.

6 Coming back to the Hillside condominium, the wife did not dispute that the monies used for the purchase of the Hillside condominium came from VPK Technical Services and VPK Engineering Pte Ltd. However, she denied that the husband was the owner and operator of the business. Instead, she claimed that VPK Technical Services belonged to her because the sole proprietorship was registered in her name. [\[note: 3\]](#) She also alluded to the fact that she was a majority shareholder of 80% shares in VPK Engineering Pte Ltd which she claimed was an offspring from VPK Technical Services. The wife also averred that she had been the one who was "actively involved with the business and had been building up the goodwill of the business" over the years. [\[note: 4\]](#) It was on such a premise that the wife claimed she was entitled to a division of all the matrimonial assets in the proportion of 80:20 in her favour instead. She did not base her claim on any responsibility she might have undertaken as a wife outside of the business of these entities.

7 Apart from the division of matrimonial assets, the wife also sought maintenance from the husband.

The decision

Division of matrimonial assets

The value of the matrimonial assets

8 In the course of the hearing, the following points were agreed between the parties:

- (a) The value of the HDB property was agreed to be \$500,000 for the purpose of the division of matrimonial assets; [\[note: 5\]](#)
- (b) The husband contributed 95% of the purchase price for the HDB property *from his own monies* and not from monies generated from either VPK Technical Services or VPK Engineering Pte Ltd, while the wife contributed the remaining 5% of the purchase price.
- (c) The value of the Hillside condominium was agreed to be \$920,000 [\[note: 6\]](#) for the purpose of the division of matrimonial assets. After taking into account the outstanding mortgage loan of \$364,082.60 (as at February 2011), [\[note: 7\]](#) the net value of the Hillside condominium was around \$555,000;
- (d) The value of the wife's personal assets (*ie*, Central Provident Fund balances, insurance policies and bank account balances) was agreed to be \$182,149.57; [\[note: 8\]](#) and
- (e) The value of the husband's disclosed personal assets (*ie*, Central Provident Fund balances, insurance policies, bank account balances, shares and a Nissan Murano motor vehicle) was agreed to be \$548,571.83. [\[note: 9\]](#)

9 The wife, however, alleged that the husband had not fully disclosed his assets. By way of support, she produced documentary evidence of the following unaccounted assets held by the husband:

- (a) A Great Eastern Share Policy, which had a value of \$90,000; [\[note: 10\]](#)
- (b) A monetary sum of \$22,005.80 transferred from the wife's Indian Bank Account on 23 August 1996 to the husband; [\[note: 11\]](#)
- (c) A monetary sum of \$90,000 transferred from the wife's DBS Account to the husband on 30 September 2005; [\[note: 12\]](#) and
- (d) Monetary withdrawals from three bank accounts (UOB, OCBC and DBS) held by the husband from the year 2005 to 2007, totalling \$1,178,426.52. [\[note: 13\]](#)

10 There was not much dispute on her allegations in respect of items (a) to (c) of [\[9\]](#) above. The figure in item (d) thereof was computed by the wife by first adding up the total amount of money withdrawals from each of the three mentioned bank accounts between the years 2005 and 2007. This amount, according to the wife's calculation in her latest affidavit, [\[note: 14\]](#) came up to \$1,246,388.60. With this figure, the wife then arrived at \$1,178,426.52 by subtracting the undisputed sums of \$30,900 and \$37,062.08 (representing monetary withdrawals from the bank accounts for auto loan and condominium loan repayments respectively) therefrom. In the result, the sum of \$1,178,426.52 represented the sum of money withdrawn which the husband had allegedly failed to account for and which the wife submitted must be treated as an undisclosed asset to be taken into account during the division of the matrimonial assets.

11 In his latest affidavit, [\[note: 15\]](#) however, the husband stated that the total sum withdrawn from the three bank accounts mentioned in item (d) of [\[9\]](#) above was a higher figure of \$1,353,609.47. This would effectively mean that the final figure in item (d) for which the husband would have to account to the wife was \$1,353,609.47 less \$30,900 and \$37,062.08 (*ie*, \$1,285,647.39).

12 Having examined the relevant bank account statements, I was satisfied that the husband's figures were the more accurate ones. Accordingly, I used \$1,285,647.39 as the working figure for item (d) above instead of \$1,178,426.52. However, I thought it unsafe to treat every unexplained withdrawal by the husband as part of his undisclosed assets. Already, without any explanation on his part, the wife had accepted that the two sums mentioned in [\[10\]](#) above had been used to pay for an auto loan and a condominium loan. Instead, using a broad brush approach, I treated 50% of the balance of \$1,285,647.39 as his undisclosed asset. Accordingly, the figure in item (d) above was adjusted to \$642,823.69 in my decision.

13 In the result, the sum total for items (a) to (d) in [\[9\]](#) above (representing the total undisclosed assets of the husband) was taken to be \$844,829.49.

14 Moving on, the wife also claimed that there were several pots containing \$15,000 worth of coins placed in the HDB property which the husband must also include as part of his assets for division. In reply, the husband denied the existence of such pots of coins. Having regard to the fact that the wife had produced some photographic evidence depicting some pots of coins at various parts of the HDB property, [\[note: 16\]](#) I accepted the wife's claim as to the existence of the pots of coins. However, again using a broad brush approach, I used half of her estimated value of \$15,000 for this asset (*ie*, \$7,500).

15 Based on the foregoing discussion, the value of the various matrimonial assets liable to be divided between the parties was as follows:

S/N	Asset description	Value of asset liable for division
1	HDB Property	\$500,000.00
2	Hillside condominium	\$555,000.00
3	Husband's other assets <ul style="list-style-type: none"> Disclosed : \$548,571.83 Undisclosed : \$844,829.49 Pots of coins : \$7,500 	\$1,400,901.32
4	Wife's other assets:	\$182,149.57
	Total:	\$2,638,050.89

Decision on the division of matrimonial assets

16 As mentioned earlier, the husband was seeking an 80:20 split of the matrimonial assets in his favour, while the wife was seeking vice versa.

17 It was generally agreed between the parties that save for the HDB property, all other matrimonial assets were acquired using the income generated from either VPK Technical Services or VPK Engineering Pte Ltd. In the circumstances, the key issue for determination was therefore: who actually owned the business and in what proportion did each party contribute to the running and operation of the business?

18 I was not persuaded by the wife that she was either the owner or the dominant contributor in the running and operation of the business. The wife's submission for 80% share in the matrimonial assets rested solely on the basis that she was the 80% registered shareholder of VPK Engineering Pte Ltd [\[note: 17\]](#) with no evidence whatsoever to show how she developed the business over the years. On the other hand, the husband was able to provide a fairly detailed account of the beginnings of VPK Technical Services as well as its subsequent transformation into VPK Engineering Pte Ltd. [\[note: 18\]](#) Copies of the Invoice Log Book used for both VPK Technical Services and VPK Engineering Pte Ltd between December 1995 and September 2004 were also produced by the husband in his affidavit for support in the same regard. [\[note: 19\]](#)

19 Further, VPK Technical Services and VPK Engineering Pte Ltd were involved in engineering services which demanded a reasonable degree of technical expertise and knowledge for a person to effectively carry out their day-to-day operations. That the wife was merely an 'A' level holder at the time the business was first formed and later incorporated also militated, on balance, against the conclusion that she was in fact the owner or the dominant contributor in the running and operation of the business. The husband, on the other hand, was trained and qualified in the field of work that VPK Technical Services and VPK Engineering Pte Ltd were involved in, namely the supplying of technical personnel for petrochemical projects. I therefore found that it was more likely than not that it was the husband, having a more intimate knowledge of the relevant industry, who was actually the owner or at least the dominant contributor in the running and operation of the business.

20 In the circumstances, and having regard to the totality of the factors in the present case, I therefore ordered an 80:20 split of the matrimonial assets in favour of the husband.

Maintenance of wife

21 The wife had originally asked for \$4,000 per month in her affidavit filed on 17 October 2008, stating her monthly expenses to be \$2,938.78. [\[note: 20\]](#) However, the maintenance sum sought was subsequently revised upwards to \$6,000 per month in her affidavit filed on 25 February 2009, citing "rising cost of living standard here and further considering the uncertainty of the unresolved trade deficit" as the reason [\[note: 21\]](#). In her written submissions, the wife clarified that she was asking "for lump sum maintenance of \$6,000/- multiplicand per month for 16 years as multiplier = \$1,152,000 or periodic monthly maintenance to the same figure". [\[note: 22\]](#) However, in the wife's latest affidavit filed on 27 April 2011, she suddenly changed tact again and stated her monthly expenses as at 3 April 2011 to be a much higher amount of \$7,145. [\[note: 23\]](#)

22 I dismissed the notion that the wife's monthly expenses did genuinely escalate from \$2,938.78 to \$7,145 between 17 October 2008 and 3 April 2011 for the reason that it was an exorbitant shift which could not simply have been justifiable on the bases of "rising of cost of living" and "uncertainty of the unresolved trade deficit". In any case, the wife was earning a gross monthly salary of \$3,250. [\[note: 24\]](#) She had no children to care and provide for and had also recently attained a degree in her tertiary education, thereby significantly boosting her career prospects. Accordingly, I ordered the husband to pay the wife maintenance at \$2,000 per month from October 2005 onwards as that was around the time when the relationship between the parties began to break down irretrievably. [\[note: 25\]](#) This was also the date suggested by the wife for the issue of backdating the maintenance order and which the husband made no submission on.

Conclusion

23 For all the reasons given, I made my order on 26 May 2011 for the division of matrimonial assets and maintenance. For convenience, I reproduce the material portion below:

... [paras 1 to 4 set out the values for the various matrimonial assets]

(B) Division of matrimonial assets

5. The matrimonial assets are to be divided 80:20 between the Husband and Wife respectively.
6.
 - (a) The Husband is given the option to buy the Wife's interest in the HDB flat based on a value of \$500,000, ie, he is to pay the Wife 20% of that value. The option is to be exercised by written notice to the Wife's solicitors by 5pm of 9 June 2011 and, if so exercised, the purchase is to be completed by 5pm of 26 August 2011.
 - (b) If the Husband does not buy the Wife's interest in the HDB flat, then the HDB flat is to be sold in the open market as soon as possible and the net sale proceeds are to be apportioned in the manner stated in para 5 above.

7. (a) The Wife is given the option to buy the Husband's interest in the Hillside unit based on a net value of \$555,000, ie, she is to pay the Husband 80% of that value. The option is to be exercised by written notice to the Husband's solicitors by 5pm of 9 June 2011 and, if so exercised, her purchase is to be completed by 5pm of 26 August 2011.

(b) If the Wife does not exercise the option to buy, the Husband is given the option to buy the Wife's interest in the Hillside unit based on the net value of \$555,000, ie, he is to pay the Wife 20% of that value. The exercise of the Husband's option is to be within 14 days after the date of receipt of rejection by the Wife of her option or 14 days after 9 June 2011, whichever is the earlier. If the Husband exercises his option, his purchase is to be completed by 5pm of 26 August 2011.

(c) If neither party buys the other's interest in the Hillside unit, the Hillside unit is to be sold in the open market as soon as possible and the net sale proceeds are to be apportioned in the manner stated in para 5 above.
8. Each party is to use his/her share of whatever is received from the buyer of an interest or of the whole of the HDB flat and/or the Hillside unit to refund his/her own CPF account for any money (principal and interest) withdrawn to acquire the property concerned.
9. The total of the other matrimonial assets is \$1,583,050.89 (see paras 3 and 4 above).

I grant the Wife 20% of that sum which is \$316,610.18. After deducting \$182,149.57 which she holds, the Husband is to pay her \$134,460.61 and retain the rest of the assets held by him. This payment is to be made by 5pm of 26 August 2011.
10. From March 2011, the Wife is to reimburse the Husband 20% of any amount he has paid towards reducing the loan on the Hillside unit.

(C) Maintenance

11. (a) The Husband is to pay the Wife maintenance at \$2,000 per month from October 2005. The arrears of maintenance from October 2005 to May 2011 (both months inclusive) is 68 months x \$2,000 per month = \$136,000. I allow the Husband to pay the arrears of maintenance in 25 equal monthly instalments of \$5,440 per month on the first day of each month starting from 1 June 2010. This is to be paid together with the current maintenance of \$2,000 per month to be paid on the first day of each month from 1 June 2011. If he defaults in paying any instalment of arrears, the entire arrears will become due and payable immediately.

(b) If the Wife is buying the Husband's interest in the Hillside unit, she may set-off any outstanding arrears of maintenance and the sum he is to pay her under para 6(a) and/or para 9 above against what she has to pay the Husband.

...

13. Liberty to apply.

[\[note: 1\]](#) Husband's Bundle of Affidavits, p 11 para 13.

[\[note: 2\]](#) Husband's Affidavit filed on 20 May 2011, p 2 paras 5-6.

[\[note: 3\]](#) Wife's Bundle of Affidavits, p 86.

[\[note: 4\]](#) Wife's Bundle of Affidavits, p 10 para 7.

[\[note: 5\]](#) Husband's Affidavit filed on 20 May 2011, p 2 para 4.

[\[note: 6\]](#) Letter from husband's counsel to the Supreme Court Registry dated 25 May 2011.

[\[note: 7\]](#) Wife's Affidavit filed on 27 April 2011, p 7.

[\[note: 8\]](#) Wife's Written Submissions, p 10.

[\[note: 9\]](#) Wife's Written Submissions, p 8.

[\[note: 10\]](#) Wife's Bundle of Affidavits, pp 13, 60.

[\[note: 11\]](#) Wife's Bundle of Affidavits, pp 13, 104-5.

[\[note: 12\]](#) Wife's Bundle of Affidavits, pp 13, 103.

[\[note: 13\]](#) Wife's Affidavit filed on 27 April 2011, p 5.

[\[note: 14\]](#) Wife's Affidavit filed on 27 April 2011, p 5.

[\[note: 15\]](#) Husband's Affidavit filed on 20 May 2011, p 3.

[\[note: 16\]](#) Wife's Bundle of Affidavits, pp 287-290.

[\[note: 17\]](#) Wife's Written Submissions, p 6.

[\[note: 18\]](#) Husband's Bundle of Affidavits, pp 9-11.

[\[note: 19\]](#) Husband's Bundle of Affidavits, pp 188, 208-243.

[\[note: 20\]](#) Defendant's Bundle of Affidavits, p 9.

[\[note: 21\]](#) Wife's Bundle of Affidavits, p 284 para 9.

[\[note: 22\]](#) Wife's Written Submissions, p 3 para 7.

[\[note: 23\]](#) Wife's Affidavit filed on 27 April 2011, p 31.

[\[note: 24\]](#) Wife's Bundle of Affidavits, p 303.

[\[note: 25\]](#) Wife's Affidavit filed on 27 April 2011, pg 4, Wife's Bundle of Affidavits, pp11-12 paras 13-14, Husband's Written Submissions, p 5, para 31 and p 8, para 52.

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