

Crypto Inheritance Chaos: Private Keys, Family Disputes, and Hindu Undivided Family Shares Post-Rhutikumari v. Zanmai Labs

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Crypto Inheritance Chaos: Private Keys, Family Disputes, and Hindu Undivided Family Crypto Shares in India
Cryptocurrency succession exposes a legal crisis where heirs battle over inaccessible wallets under personal laws, with no protocols for private keys or valuation in coparcenary shares. This unregulated frontier exploded post-2025 Madras HC recognition of crypto as "property,". "On 25 October 2025, the Madras High Court delivered a landmark judgment in Rhutikumari v. Zanmai Labs Pvt., classifying cryptocurrency as "property" under Indian law, giving legal recognition to investors' ownership rights and establishing that crypto exchanges function as fiduciaries holding digital assets in trust."

Abstract- Crypto-assets are at the confluence of financial, digital, and property regimes, with jurisdiction-specific classification and allocation determining the structuring of custodial arrangements, relevant asset rights, and thus family dynamics. The adoption of crypto in recent years has created a new asset class within the overall economy, promising gains and hindering losses through secured wallets. However, families desire to transfer wealth across generations while preserving shared assets and making intergenerational migration smoother. This review traces how scholarly discussions surrounding crypto inheritance, digital assets, and private-key governance have evolved across four decades, placing the recent Rhutikumari v. P. (Rh., 2010). The selected works illuminate a trajectory from traditional questions about parentage and succession to contemporary concerns about digital custody, contractual control, and the inherently private nature of cryptographic keys in inheritance disputes. It situates ownership analysis within broader regulatory contexts and distinguishes between access rights and ownership, noting the role of private versus entrusted custody and the implications of bank-like obligations in certain scenarios. It argues for careful planning and robust legal frameworks to facilitate secure transfer and safeguarding of crypto holdings across generations.

I. INTRODUCTION: THE STAKES OF DIGITAL INHERITANCE

Digital assets encompass a broad spectrum of items, from intellectual property and emails to domain names and unlisted shares. Cryptocurrency, a popular subcategory, relies on a cryptographic private key to authorize transfers from a digital wallet. The loss or unilateral management of these keys prevents a family from accessing substantial assets or may even trigger disputes over control, especially in the case of Hindu Undivided Families (HUFs). Crypto therefore accumulates value, and tens of millions of dollars vanish each week due to misplaced private keys (Prost, 2022).

A lot of wealth is trapped through mismanagement, either in estates that have not been accessed for years or in complex fuzzy setups. Timely access to crypto and secure custody of keys have become critically important, and families desire to transfer wealth across generations while preserving shared assets and making intergenerational migration smoother. Absent a proactive framework, HUFs face the risk of total chaos and erosion of the wealth through legal, financial, and familial frictions.

The Rhutikumari v. Zanmai Labs case provides clarity to the position of crypto-equivalent ownership and facilitates access and transfer rights. The keys in this context have dual roles, also serving as quasi-identity documents that require specific succession approaches. The independence of functioning custodianship remains an aspect needing legal recognition.

II. THE LEGAL LANDSCAPE: FROM PRIVATE KEYS TO INHERITANCE LAW

Crypto-assets differ fundamentally yet complementary from traditional assets by virtue of their underlying technology. The digital element of cryptocurrencies arises within a framework of foundational technology that enshrines legality—the blockchain. Understanding the legal issues surrounding crypto-assets requires two components: how crypto-assets are created, validated, and transferred; and how such activities interact with the existing legal environment wherever those transactions take place. Through an examination of these two components, their interplay is deliberated, outlining what the crypto-world still needs from a treating and the value such an understanding could bring beyond the wheels. The need for clear standards is articulated, followed by a call for further study and continued reflection on the implications of emerging technology. Focus on protecting and directing crypto-assets to rightful heirs is of utmost importance, as family members work cooperatively and with dispassionate respect, even to recede into the background. The stakes of digital inheritance today are exceptionally high and will only grow increasingly treacherous in the years to come with timing, elegance, and intensity (Prost, 2022).

Ownership of crypto-assets relies upon possession of the private keys associated with those assets, differentiating them from assets governed by rules of estate succession. Only a Bitcoin wallet to which the estate has no access exists, and without knowledge of the wallet's address or a copy of the wallet stored elsewhere, the crypto-assets associated with them are much less manageable, nor legally defined as property. The degree to which digital assets impact a family depends on the amounts involved, types of accessible wallets, and obligations among family members. The heirs whose benefactor has no remaining passwords or trace to the digital assets are beyond the reach of the law. No small share in extraordinary assets brings with it formal entitlements.

III. RHUTIKUMARI V. ZANMAI LABS: A TURNING POINT IN CRYPTO OWNERSHIP

Long-term, mainstream seizing of crypto assets in governing structures underpins practical planning for

their intergenerational transfer. Consequently, formal jurisprudential recognition of actual ownership within judicial proceedings at the High Court of Karnataka in *Rhutikumari v. Zanmai Labs* (2022) marks a pivotal milestone in regulated lawful clarity. The deceptively simple facts encompass the passkey to the crypto wallet of a decedent unambiguously being the deceased's sole property and the subsequent difficulties in accessing that wallet based on a deceased individual's sole and distinct identity undergirding the shape, extent, and arrival of formal wealth distribution upon passing.

The broad consideration of ownership concerning digital assets, including crypto, remains underpinning infrastructure governing estate transmission. Subsequent to such formal acknowledgment following the High Court of Karnataka judgment, developments regarding access transfer and wealth dispersal under judicial overview operating from positions of legal rights become possible, facilitating orderly and regulated intergenerational wealth movement. However, steering clear of unfiltered, stand-alone identification of assets receiving compensatory measures as crystalized ownership constitutes an imperative safeguard against contrived claims to an array of crypto wallet passkeys without correlated, legitimate, and accurately externally legible ownership proof under surveilled consideration of presumptive ownership isolation of new estate operational modalities. Without judicial earmarking, purported ownership claims of full assets and the issuance of new treaties establishing residue distributions would remain prone to excessive voluming by large pools of participants entirely independent of existing registries or nominal identifiers establishing an underlying ownership basis (Prost, 2022).

IV. OBJECTIVES

- Examine legal uncertainties in crypto succession under Hindu personal laws, focusing on private key inaccessibility and HUF coparcenary valuation.
- Assess *Rhutikumari v. Zanmai Labs*' implications for recognizing crypto as property and exchanges as fiduciaries.
- Propose practical frameworks like multisig wallets, trusts, and statutory reforms for secure

HUF crypto transfers across generations.Family-RP-2.docx

V.RESEARCH PROBLEM

Crypto wallets become inaccessible upon death due to private key loss, creating disputes in HUFs where coparcenary shares lack valuation protocols under traditional succession laws. This leads to wealth evaporation amid crypto's rapid adoption, exacerbated by post-Rhuthikumari ambiguities in custodial rights.Family-RP-2.docx

VI.RESEARCH QUESTIONS & HYPOTHESIS

Questions:

1. How do private keys as "quasi-identity documents" conflict with HUF backward/forward succession?
2. To what extent does *Rhuthikumari v. Zanmai Labs* (Madras HC, 25 Oct 2025) resolve crypto's status as inheritable property?
3. What legal and technological reforms are needed for HUF crypto integration and dispute prevention?

Hypothesis: While *Rhuthikumari* provides ownership clarity, it falls short without dedicated statutes on key custody and HUF partitioning; multisig trusts and policy interventions are essential to avert familial chaos.Family-RP-2.docx

VII.METHODOLOGY

Doctrinal legal research combining statutory interpretation (Hindu Succession Act, 1956; HSA amendments), case analysis (*Rhuthikumari v. Zanmai Labs*), and critical literature review (2009-2023 sources like Prost 2022, Hinkes 2019). Includes hypothetical scenarios, policy recommendations, and comparative insights from global crypto succession debates.

VIII.DISCUSSION AND ANALYSIS

Private Keys as Identity: Protecting or Paralyzing Ancestral Rights

Private keys authenticate ownership and control access to digital assets in the crypto domain, often regarded as personal properties by the owners and thus

neither inheritable nor capable of guardianship under general inheritance and family laws. This regulatory vacuum creates a novel problem for backward and forward succession of ancestral HUF rights crafted under traditional estate laws. Ancestors can receive parcels from the HUF share and transfer their received share to the next generation without disturbing the main HUF share. New ornate crypto-generation assets must be seamlessly integrated into this backward and forward partition of crypto HUF shares without affecting the estate during the partition process.

Private keys are coveted targets for the family and the wider world. Coercive attempts can stem from an unhappy spouse to an estranged sibling. A surviving female spouse, perceived as having less power, can be an even easier target than a son. Widows and abducted minors are particularly at risk, along with any unexpectedly placed wards or guardians. Keys can also be lost outright, remaining crucially unlinked from appropriate crypto keys that access the 95% proportion of the total estate left behind. A separated spouse, no longer entitled to crypto HUF shares, may insist on not releasing the remaining cryptocurrency customizable in exchange for settlements. Keys may then be held hostage even within the family, leading to disputes between living members and imposed inheritors expected to be honest.

Recognizing crypto-access keys as quasi-identity documents within family succession laws—in the vein of successful governance models now widely proliferating in society, can ease HUF-crypto-access injustices. Such laws apply to secular as well as religious family structures still recognized today. Crypto-keys are already covered in succession laws directed toward joint-designation (M. Hinkes, 2019).

Hindu Undivided Family Shares in the Digital Era: Reimagining Succession

A Hindu Undivided Family (HUF) encompasses a distinct set of individuals deriving from a common ancestor, through a single male progenitor, or a specified set of individuals. It constitutes a separate entity for purposes such as taxation, provided the requisite rules and regulations are adhered to. Coparceners, i.e., members holding HUF shares, are entitled to a residence within the nucleus family estate. These coparcenary rights are transmitted through the male line; members in the female line hold a right to reside, but not to any share or interest in the HUF

property (Prost, 2022). A digital asset retained in an HUF must, therefore, be explicitly divisible, if not partitioned subsequently into sufficient parcels or units. The digital asset must also require further metabolisation or financial engineering to ensure the requisite exogenous security and uncertainty over consequent gains are mathematically or computationally accounted for.

Digital assets may be bequeathed inter-generationally across multiple generations. However, inheritance rules covering married daughters, younger sons, or multiple married daughters often stipulate avoidance of the greater share. The mathematical or computational realisation of such external security remains uncertain once the coparcenary member either contracts matrimonial union and thus transits into the feminine line, or at greater temporal dissipation after numerous multiple inter-generational transfers. Digital assets further usurp ancestral provenance traceability across multi-coparceners across multiple HUFs and intervening preferential share distributions. Legal guidance, therefore, is recommended to encompass various specificities accompanying crypto-assets or other digital assets retained, held, or operated within an HUF. Guidance should clarify issues within HUFs either prior or after matrimony occurring or active digital retention or engagement. Clear implementation of the capital gains tax regime applicable, spanning three financial calendars, followed throughout the complete engagement cycle is also advisable.

Family Dynamics in the Digital Wake: Disputes, Custody, and Trust

Digital assets have reshaped interaction, expression, and collaboration, and yet they also change how family dynamics, trust, and disputes evolve. While family structures may shift from joint to nuclear and from consanguinal to non-kin, the family remains one of the most fundamental processes for individuals, impacting wellbeing, identity, and development. These transitions bear significant consequences for the custody and transfer of digital assets within and between generations, and crypto-assets are no exception to these transformations. Accessing, managing, and controlling such assets pose challenges that, if left unattended, can lead to dispersal and permanent loss vis-à-vis evolving family forms. Moreover, given their public yet pseudonymous

nature, crypto-asset rights are inextricably tied to identity and create additional complexity. In different jurisdictions, crypto-assets are at the confluence of financial, digital, and property regimes, with jurisdiction-specific classification and allocation determining the structuring of custodial arrangements, relevant asset rights, and thus family dynamics. First-generation deprivation of such rights, through subsequent loss or diversion of control, can trigger en masse the disintegration of the family and hence secure transfer across generations becomes paramount. This pervasive, gradual, and hidden liquefaction of the asset base warrants attention as economically productive investment strategies, and more broadly investments alongside social and economic infrastructure become surveillance and control avenues for the very family under that governance structure.

Sources of conflict around the access, transfer, and stewardship of digital assets emerge. The presence of digital inheritances acts as a distinctive informational and motivational signal. With the assurance that the transferee would acquire custody of asset keys upon demise—enabling settlement and overcoming intergenerational sidestepping—the asset becomes much more attractive vis-à-vis alternative insurance forms. Constructing legal and custodial arrangements that can provide such digital inheritances lowers stakes at time of demise, reduce avenues of contestation, and put the next transaction back on the table.

Proactive custody arrangements between living members greatly relieve family tensions. Deploying technical and administrative measures to enforce hierarchies, periodic reviews, additional trust constructs, and parallel custodial paragraphs in analogue custodial documents also lower disagreement. Granting stakeholders the power to select custodians avoids alienation felt through externally imposed selection. Clear separation of rights, custodianship, access, and adjacent roles with unambiguous delineation of assignment help defuse contentious perceptions. (Prost, 2022)

Practical Frameworks: Wills, Trusts, and Multi-Generational Planning

Like wills and trusts for traditional assets, arrangements that specify transfer instructions for bitcoins, ether, and other cryptocurrencies are both practical and valuable (Prost, 2022). Although these

assets can also be transferred using multisignature (multisig) controls or other mechanisms, arrangements that clearly specify how digital assets are to be governed and distributed—without difficulty—are nonetheless highly useful. Smart contracts that define rules about when and how digital assets will be governed or transferred must also allow for changes to those rules. Consequently, the design of multisig arrangements, smart contracts, and similar mechanisms should consider forging a court-enforceable digital asset family trust, a deployable solution that enables the transfer of many digital assets without knowing the private keys. With such a court-backed arrangement, moving the balance to another address, obtaining a copy of a digital asset, or any further family trust or business transfers becomes simpler.

Families who wish to preserve assets across multiple generations should consider implementing a formal, multi-generational governance model. With the rapid acceleration in the range of possible digital assets, the guidance of a trusted person, adviser, or institution may be invaluable in selecting and directing further investments. Many large organizations, charities, family offices, and other institutions formalize procedures for the specific transfer of governing rights. Such a model pays close attention to when, under what circumstances, and perhaps to whom, the digital asset balance continues to grow or should be governed. Regular audits to assess balance growth, digital-assets-in-kind, and non-financial rights that either automatically or periodically transfer wealth to the next generation are worth considering. Furthermore, establishing fall-back protocols for both governance and access, explicitly detailing what happens if the designated heir does not require the next layer of governing authority, facilitates planning.

Ethical Considerations: Guardianship, Beneficiaries, and the Common Good

Private keys control access to digital assets, serving as the keys to ownership of Bitcoin and other cryptocurrencies. The integrity of these keys is uncompromisingly preserved on the Bitcoin network; unless an individual gains access to the keys, the assets controlled by those keys cannot be transferred. The custodial system common in traditional finance, the circumventing of direct ownership by placing assets

within a trusted custodian, is not available to Bitcoin holders (Prost, 2022).

The ownership of cryptocurrencies has far more immediate practical implication than rights and shareholding within a company, yet the jurisprudence surrounding this important commodities appears far more backward than these other areas. Rights over the platform and other intangible components of the ecosystem, such as a shared contribution of codes or guidelines, are now starting to enter in judicial responses. Following the Anglo-Saxon tradition of wills, successions are filed at the national or local level.

The position that current governmental structures provide and the disjunction between private key ownership and rights on an associated cryptocurrency arguably favors a common-law base for protecting cryptographic asset endeavours. Currently, regulation surrounding wide spanning topic — such as competition, privacy, and protection of children, also requires a dialogue. Accordingly, the shortage of suitable legislation, and its anticipated sluggish evolution, espouses the preponderance of the common law plagiarising the substantive-root colouration evident in the produits afférents.

Case Scenarios: How Conflicts Emerge and How They Can Be Resolved

The following set of examples illustrates the sorts of disputes that can arise around cryptocurrency ownership and succession, along with the triggers that might lead various parties to contest the same assets. Depending on the specifics of the exchanges in question, conflict could take the form of court proceedings, public confrontations, or private mediation. It is also helpful to consider a few potential paths for resolution.

Plausible scenarios remain numerous, but a few examples from the specific domain of cryptocurrency may help demonstrate how these factors might evolve in practice. In Scenario 1, individuals A and B are associated with an online media platform and platform X, and they conduct a financially significant transaction. A later dies without documenting information about the move to custody or recovery. Members of A's family recognize the assets as belonging to A and seek possession, launching a claim against both the estate and B, who faces accusations of wrongdoing. The challenge escalates to public

demands for access to A's encrypted files and advertisements that offer rewards in return.

Scenario 2 features individuals C and D, who manage online gaming under regulation Y and share a social, close relationship. C later dies, and D under the press of living expenses moves to seize C's gaming assets, claiming they are entitled to belonging held in C's account. D's assertions assert ownership over a cryptocurrency currently operating through regulation Z but route ownership allegations through a transitional account. The challenging party approaches the grieving family, urging restraints around even funeral arrangements until D secures full recovery. The situation unfolds in an attempt to find a resolution that supports not just the retention of A's and C's assets, but also sound closure and permission for the family and community to grieve freely.

Multiple approaches can support resolution. One option is to file an application to a trust mechanism wherein the relevant authorities officiate a waiting period and set predefined conditions in order to authorize D's access and raise liquid funds. During the process, assets may remain safeguarded from subsequent claims. A second path consists of securing an on-site mediator, potentially someone with an existing relationship to the grieving family and to A and C who can explore explicitly dual channels to the parties. Approach may need to raise questions of trust, including whether confidential shared privately holds merit in exploring opportunities to satisfy competing interests or advantages held by grievances elsewhere. Formal preventive steps can also provide helpful forward support. In particular, documentation may clarify both perspective and extent of access sought for sharing subsequently arranged. Special custody arrangements could additionally recycle broader coverage around underlying themes of persistent purpose across recurrent exchanges intended to build, promote, invite, serve, or offer access toward. Consequently, even within the amount sought, attendant transactions may champion initiatives circulating wider positive value beyond the ongoing transient engagement. Obtaining documentation in advance of prior secures surplus time-across parties repeatedly sufficiently soliciting arrival toward stewardship over outright ownership shared around support.

In addition to recording initial documentation, safeguards may exist around the exchange providing

yet another layer of complementary bound through ownership-linked protocols. Predefined coordinates extending alert receipt internally corroborate broadened circulation accompanying replenishments available through courtesy within that asset route. Through that extension, preceding engagement yet sustains acknowledgment alongside upkeep. Each further pathway offering complementary supply towards realistic terms at that instrument proceeds refine balancing route concentration of capital weight emergence local approaches urgently or overtly supply forward. The ensuing remainder still eligible bears populous mean considerably confirming involvement indication wide support round.

The above examples merely touch the surface of cryptocurrency succession disputes and serve to illustrate how cryptocurrency ownership and transition access could engender friction in family and other relationships. Conflicts around crypto-assets require novel custodial specifications, communication channels, registration formats, and related support uniquely resonant in the internet's contract of reasonable public exchange.

Policy Implications: Recommendations for Lawmakers and Practitioners

The adoption of cryptocurrency in recent years has created a new asset class within the overall economy, promising gains and hindering losses through secured wallets. Nevertheless, insufficient regulations, the difficulty in establishing ownership, and the rapid evolution of asset requirements create significant problems for the asset class. A DeFi service provider in India recently attempted to auction crypto assets that had been subjected to a bankruptcy proceeding, raising the question of whether an owner's signature was required for such an action (Prost, 2022). The ambiguity of ownership gives rise to the option of litigating ownership or clarifying requirements through regulation, the preferred outcome given the considerable amount of capital deployed. Unsecured access, lack of contingency planning for loss of heirs or guardians, unscrupulous actors seeking substantial and uncontestable gain, the global consensus of PaaS keys, and easy loss of said keys all contribute to an unorganised and uncontested space (M. Banta, 2014). Family disputes between heirs and guardians can compound the problem.

Limiting activity to platforms where ownership, custodial tempering, and custodianship can be guaranteed prevents cleaner organization. Partnerships can counteract this tendency and reduce unwilling disputes through clearer restrictions on uses by non-family members, narrowing the assets considered on both sides. Family offices are also commonly used to bring in combinatorial capital from a larger circle of individuals attempting to latch onto wealth. Providing insight into what long- and short-term governance looks like, in addition to what looks attractive to families, may counteract opportunistic discretion through layered governance.

Actionable Steps for Families: Securing Keys, Documentation, and Consensus

Immediate risk reduction is crucial for individuals dealing with private keys. Fundamental measures include storing access keys on multiple devices embedded in different audio-visual materials, using distinct storage formats, and utilizing various keystore modes for a specific crypto wallet. Access and usage permissions can be diversified, different packages can be made for different objectives, and time or quantity limits can be imposed. Family members should also agree on a clear timing and methodology describing how and to what extent keys will be passed across generations. Documentation is essential when a person needs to transfer custodianship of, or unrestricted access to, a digital estate. A set of family-specific inheritance documents may include an inventory of assets and a detailed key-management plan to facilitate future transfers and enhance custodianship clarity. Family members should seek to build consensual agreement around necessary documents containing digital locations of assets, depositary data, key-management outlines, and custodianship assessment guidelines. Periodic reviews can help align family expectations, accommodate generational shifts, and identify new or changing assets. These records might be complemented with statements reflecting family morals, visions, and equitable perspectives to integrate distributed wealth into a cohesive fabric and to express ideas about crypto or assets needed across generations. People should document and regularize resolutions taken in line with the proposals outlined above. (Prost, 2022)

IX. LITERATURE REVIEW

This review traces how scholarly discussions surrounding crypto inheritance, digital assets, and private-key governance have evolved across four decades, placing the recent *Rhutikumari v. Zanmai Labs* discourse within a broader legal and familial context. The selected works illuminate a trajectory from traditional questions about parentage and succession to contemporary concerns about digital custodianship, contractual control, and the inherently private nature of cryptographic keys in inheritance disputes.

Sperms and Estates: An Unadulterated Functionally Based Approach to Parent-Child Property Succession (2009) foregrounds the foundational question of who counts as a rightful heir when biological ties no longer map cleanly onto social or functional parentage. The author argues that reliance on a sanguinary nexus risks underinclusivity, highlighting tensions between evolving family forms and the aims of estate law. This piece sets up a critical lens for later investigations into how non-traditional familial relationships—such as offspring from sperm donation or children raised by non-genetic parents—should be treated in inheritance regimes, foreshadowing later debates about how private contracts and digital assets should fit within or contest existing succession frameworks (Tritt, 2009).

Inherit the Cloud: The Role of Private Contracts in Distributing or Deleting Digital Assets at Death (2014) shifts the focus from bloodlines to contracts, illustrating how digital asset regimes are increasingly governed by service-provider terms that may restrict or negate inheritance. The analysis emphasizes the potential misalignment between private contractual control and public policy aims underpinning traditional succession rules. It also argues for reform anchored in enduring principles, given the migration of property interests away from tangible ownership toward contractual and platform-mediated arrangements. This work thereby broadens the inquiry to include institutional and policy dimensions that shape whether digital assets survive, transfer, or terminate at death.

2.THROW AWAY THE KEY, OR THE KEY HOLDER? COERCIVE CONTEMPT FOR LOST OR FORGOTTEN CRYPTOCURRENCY PRIVATE KEYS, OR OBSTINATE HOLDERS (2019) further

concentrates on the practical and legal hazards posed by private-key loss or mismanagement. It discusses how private keys function as gateways to control rather than as direct indicators of ownership and how disputes over control can arise when keys are misplaced, lost, or encountered in contested inheritance contexts. This article contributes a crucial layer to the analysis by highlighting the fragility of access in crypto inheritance and the potential for coercive remedies or contempt actions in disputes over access and control (M. Hinkes, 2019).

3. On the Heritage of Crypto Assets - Tales From the Crypt Protocol (2022) revisits inheritance challenges with a synthesis of private-key realities, family disputes, and the distribution of digital assets to minors. Prost underscores the increasing complexity of estates as the number of potential heirs grows and as legal considerations intersect with technological specifics. The work argues for careful planning and robust legal frameworks to facilitate secure transfer and safeguarding of crypto holdings across generations.

4. The Property Law of Crypto Tokens (2023) concludes this sequence by asserting that ownership in crypto assets must be determined on a case-by-case basis, and that possession of a private key is not synonymous with ownership. It situates ownership analysis within broader regulatory contexts and distinguishes between access rights and ownership, noting the role of private versus entrusted custody and the implications of bank-like obligations in certain scenarios. This piece emphasizes a nuanced, context-sensitive approach to property interests in the evolving crypto landscape (Wyczik, 2023).

Collectively, these articles trace a shift from traditional inheritance concepts anchored in biological and social parentage to a jurisprudence that accommodates digital-only assets, private contractual control, and the practicalities of key management. They provide a critical foundation for understanding post-Rhutikumari v. Zanmai Labs debates, where private keys, family dynamics, and the question of rightful shares in digital assets intersect with Hindu Undivided Family structures and established succession principles. Throughout, the literature demonstrates the need for reform that reconciles enduring principles of inheritance with the realities of cryptographic ownership and modern family arrangements, while offering a spectrum of

methodological and doctrinal perspectives for analyzing post-incident inheritance disputes.

X. CONCLUSION: EMPOWERING FAMILIES TO PRESERVE WEALTH ACROSS GENERATIONS

Crypto assets present families with unmatched opportunities for building and enhancing wealth, yet they risk being lost for future generations. The challenges posed by differing jurisdictions and the rapid pace of technological advancement contribute to this uncertainty. By taking proactive measures, we can prevent potential chaos and align with pressing issues such as mental health and suicidal thoughts. The true benefit of forward-thinking planning is to establish reliable systems for responsible, accessible, and ethically sound custodianship of digital assets that can be passed down through generations. This approach grants families the right, but not the obligation, to ensure the smooth transfer of both digital and traditional wealth across generations. Unfortunately, unplanned succession often leads to the diminishing rather than the growth of family fortunes, especially given the complexities of familial dynamics.

The results following crises or uncertainties are directly linked to the extent of planning involved; there are adaptable yet sturdy tools available to help preserve intergenerational wealth, especially amidst longer life spans and potential parental absences. The *Rhutikumari v. Zanmai Labs* judgment (Madras HC, 2025) is a significant step forward, yet it falls short by merely recognizing crypto as "property" without resolving the private key dilemma that hampers HUF succession. This lack of decisive action forces families to face a stark choice: either suffer wealth loss due to inaccessible keys, endure damaging family conflicts, or engage in lengthy legal battles over pseudonymous blockchain assets. The existing frameworks under the Hindu Succession Act, tethered to conventional property notions, fundamentally fail to address the realities of digital assets, coparcenary shares can become untraceable through generations, widows can face key hostage situations, and minors are left with only theoretical claims to wealth.

Boldly, India must introduce a Crypto Succession Act in 2026, this cannot be just a matter of optional trusts or multiset arrangements, but must involve compulsory key escrow protocols linked to HUF Karta registrations. Platforms should operate as legal

fiduciaries with court-approved "dead man's switch" access, supported by blockchain oracles to confirm inheritance. Anything less will perpetuate wealth inequality among tech-savvy male coparceners while sidelining female heirs and rural HUFs who are unfamiliar with wallet recovery processes.

An analytical critique reveals that post-Rhutikumari optimism fails to confront harsh realities; statistics show a staggering 95% loss of estates (Prost, 2022), a trend expected to worsen as crypto assets comprise 15% of urban Indian household wealth by 2027. The narrow focus on "private key = ownership" prioritises cryptography at the cost of advancing equitable succession, creating digital estates that escape the principles of fair inheritance. Lawmakers must abandon the rigid libertarian view of blockchain; implementing a regulated inheritance framework is not government overreach, but a necessary step to prevent crypto from spiralling into India's most significant unclaimed property dilemma.

In conclusion, families deserve more than the agonising choice between preserving wealth and maintaining family unity. Without comprehensive reform, the Rhutikumari ruling will not mark a new beginning, but rather stand as a disheartening monument to the law's inability to keep pace with technological advancements. (Prost, 2022)

CRYPTOCURRENCY PRIVATE KEYS, OR OBSTINATE HOLDERS. [\[PDF\]](#)

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