



CIVIL

# Family Property Dispute Settled: Supreme Court Clarifies What Truly Constitutes Ownership

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## Introduction

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The Supreme Court of India has once again reinforced the principle that property ownership cannot be claimed through shortcuts like an Agreement to Sell, General Power of Attorney (GPA), or supporting affidavits. In *Ramesh Chand (D) Thr. LRs. v. Suresh Chand & Anr.*<sup>[1]</sup>, the Court clarified that only a **registered sale deed** conveys valid title to immovable property. It further stressed that a **Will must be strictly proved in law**, and any suspicious circumstances surrounding its execution must be dispelled. By setting aside concurrent findings of the Trial Court and High Court, the judgment is a cautionary precedent in family property disputes, where informal transfers and unproven documents often lead to prolonged litigation.

## Factual Background

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The case stemmed from a family dispute over a property in Ambedkar Basti, Delhi, originally owned by late Kundan Lal. After his death, his sons Suresh Chand (Plaintiff) and Ramesh Chand (Defendant) locked horns over ownership.

Suresh claimed sole rights on the strength of documents executed in 1996 an Agreement to Sell, General Power of Attorney, Affidavit, Receipt, and a registered Will and accused Ramesh of trespassing and even selling half the property to a third party. Ramesh countered that the property had been orally gifted to him in 1973 and dismissed Suresh's documents as invalid.

While both the Trial Court and the Delhi High Court sided with Suresh, Ramesh challenged these rulings before the Supreme Court, leading to a decisive verdict on what truly constitutes valid ownership under law.

## Key Legal Issues Before the Court

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The Supreme Court had to untangle a web of conflicting claims and determine the true legal position. The central questions before the Bench were:

1. **Validity of Documents** – Could an Agreement to Sell, GPA, Affidavit, Receipt, and a registered Will executed by late Kundan Lal confer valid ownership rights on the plaintiff, or was a registered sale deed the only legally recognised mode of transfer?
2. **Doctrine of Part Performance** – Could the plaintiff rely on Section 53A (part performance) of the Transfer of Property Act to protect his claim, even though he was not in possession of the property?
3. **Succession Rights** – In the absence of a valid transfer or proven Will, how would the property devolve among Kundan Lal's heirs, and what impact would this have on the sale of half the property to the third-party purchaser?

## Supreme Court's Analysis

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### 1. Agreement to Sell / GPA / Receipt:

- The Court reiterated that under **Section 54 of the Transfer of Property Act, 1882**, ownership of immovable property (valued above ₹100) can be transferred only by a registered sale deed.
- An Agreement to Sell only creates a right to seek specific performance but does not convey ownership.
- A GPA merely creates an agency and does not transfer title.
- Likewise, an Affidavit or Receipt acknowledging consideration does not amount to conveyance.

### 2. Validity of the Will:

- A Will must be proved in accordance with Section 63 of the Succession Act, 1925 and Section 68 of the Evidence Act, 1872, requiring examination of at least one attesting witness.
- The plaintiff failed to prove the Will through proper witnesses.
- The Court also found **suspicious circumstances**: Kundan Lal had four children, yet the Will allegedly left the entire property only to the plaintiff, with no explanation for excluding the others. Hence, the Will was held not proved and invalid to confer ownership.

### 3. Section 53A (Doctrine of Part Performance):

- Protection under Section 53A applies only if the transferee is in possession of the property.

- Since Suresh Chand himself had sued for possession, it was clear he was not in possession and hence could not claim the benefit of this doctrine.

## Court's Decision

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The Supreme Court concluded that the disputed property remained with late Kundan Lal until his death. Since the Will relied upon by the plaintiff was not proved in accordance with law, the property would naturally devolve on all his Class-I legal heirs under succession law.

The Court further clarified that Ramesh Chand's sale of half the property to Defendant No.2 would be valid only to the extent of his rightful share, ensuring that the purchaser's interests were protected without disturbing the rights of other heirs.

Accordingly, the judgments of the Trial Court and the Delhi High Court were set aside, and the plaintiff's suit was dismissed. The parties were left free to resolve their respective rights through succession in accordance with law.

## Author's View

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The ruling is a strong reminder for buyers and claimants of property rights to ensure compliance with statutory requirements for property transfers, failing which claims to ownership may not withstand judicial scrutiny.

This judgment is a timely reminder of the dangers of relying on informal property transfers. For decades, many families in India have used documents like Agreements to Sell, GPAs, or affidavits to pass on property, often to avoid stamp duty or registration costs. While such practices may have seemed convenient, they create fertile ground for disputes, as seen in this case.

The Court's insistence on strict compliance with statutory requirements protects legal heirs and bona fide purchasers. By questioning the validity of the Will and emphasizing the need for proper proof, the Court has reinforced the principle that inheritance rights cannot be lightly set aside.

From a broader perspective, this ruling encourages transparency in property dealings. It highlights the importance of formal, registered instruments for clarity of title and for long-term peace within families. In the author's view, while the decision may seem harsh on litigants who relied on less formal documents, it ultimately strengthens the rule of law and reduces the scope for manipulation in succession disputes.

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[1] Civil Appeal No. 6377 of 2012

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