



REAL ESTATE

Limits on Title Transfer: Supreme Court Clarifies Legal Effect of Agreement to Sell, General Power of Attorney, and Will

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Introduction

In *Ramesh Chand v. Suresh Chand*^[1] (decided on September 1, 2025), the Supreme Court confronted a recurring issue in property law: whether instruments such as an agreement to sell, a general power of attorney (GPA), or even a registered will can, by themselves, effectuate the transfer of title in immovable property.

While prior rulings in the *Suraj Lamp & Industries (P) Ltd*^[2] line have clarified that agreements to sell and GPAs cannot operate as conveyances, in this decision, the Court went further to emphasize that a registered will especially one shrouded in suspicious circumstances cannot alone establish title unless it is duly proved under the applicable legal standards.

This judgment^[3] is significant in that it consolidates existing jurisprudence on informal property transfers still pervasive in India and underscores the high evidentiary burden needed when a will is advanced to support title claims.

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Factual Background

The dispute emerged among two brothers over property left by their father. One brother claimed ownership based on documents purportedly executed in his favour an agreement to sell, a general power of attorney, an affidavit with a receipt acknowledging payment, and a registered will. The other brother challenged these documents, maintained long-standing possession, and contended that the will was forged or otherwise invalid.

The trial court favoured the claimant brother, finding the documents sufficient to transfer title, and dismissed the counterclaim. The High Court affirmed. However, in view of the Supreme Court's prior decisions particularly *Suraj Lamp* the Supreme Court remanded the matter for reconsideration. Even after remand, the High Court upheld the original decree, prompting the present appeal.

Issue Before the Supreme Court

The core issue was that can an agreement to sell, a GPA, or a registered will, provide valid transfer ownership of immovable property in favour of the claimant?

Court's Reasoning and Analysis

Agreement to Sell

Under Section 54 of the Transfer of Property Act, 1882, an agreement for sale does not itself confer any right, title, or interest in property. Instead, it merely grants the purchaser a contract right to enforce specific performance. The Supreme Court reiterated that even when such agreements are accompanied by possession, they cannot function as a conveyance; only a registered deed of conveyance can transfer ownership.

General Power of Attorney

A GPA is an instrument of agency, not a device for transfer of title. The Court reaffirmed that even an irrevocable GPA, unless it explicitly conveys ownership, does not pass title. In the case before it, the GPA in question was limited to management and did not include express transfer language.

Registered Will

Though registration gives a will certain formal recognition, it does not make it self-proving. To establish that a will indeed conveys title, the proponent must satisfy the rigorous standards under the Indian Succession Act, 1925 and the Evidence Act, 1872. Key precedents such as *H. Venkatachala Iyengar v. B. N. Thimmajamma*^[4] hold that a will must be attested by two witnesses, and at least one attesting witness must be called to testify.

In the present case, the will was surrounded by suspicious circumstances it bequeathed the entire estate to one son, excluding the others, without explanation. Moreover, the attesting witnesses had not been examined. The Court therefore held the will unproved and incapable of conferring a valid title.

Judgment and Conclusions

The Supreme Court observed that the principles affirmed in *Ramesh Chand* are not novel but part of a long-established legal trajectory. The *Suraj Lamp* doctrine barring agreements or GPAs from functioning as conveyances remains intact. On wills, the Court emphasized that registration is insufficient; rigorous proof is essential, especially in contested and suspicious cases.

In sum, while the ruling does not introduce new doctrine, it is a critical judicial reminder especially in a legal culture where informal documents (“agreements,” GPAs, wills) are frequently used to effect property transfers. It underscores the need for proper conveyancing and heightened legal awareness in familial property matters.

^[1] 2025 SCC Online SC 1879

^[2] (2012) 1 SCC 656; (2012) 340 ITR 1; (2012) 169 Comp Cas 133

^[3] *Ramesh Chand* case, 2025 SCC Online SC 1879

^[4] 1958 SCC Online SC 31

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