



REAL ESTATE

No Title Without Registration: Supreme Court Clarifies Ownership Under Indian Property Law

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Introduction

In a detailed and consequential decision, the Supreme Court reaffirmed that immovable property can only be transferred through a registered instrument. It held that an unregistered agreement to sell, even if subsequently validated or acted upon, does not confer a legal title. The ruling came in the context of a dispute involving land in Telangana, adjudicated in *Mahnoor Fatima Imran & Ors. v. State of Telangana & Ors*, where the Court also emphasized that mere possession, when not lawfully established, cannot justify protection from dispossession under Article 226 of the Constitution.

Factual Background

The dispute relates to 53 acres of land situated in Raidurg village, Ranga Reddy District, Telangana. This land was originally part of a larger 525-acre tract held by 11 individuals, which was subsequently declared surplus under the Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973.

In 1982, Bhavana Cooperative Housing Society Ltd. (hereinafter referred to as “Society”) claimed to have purchased the disputed land through an unregistered sale agreement. Although the agreement was not registered, it was later validated in 2006 by the Assistant Registrar, though it still did not attain the status of a registered conveyance.

Based on this unregistered agreement, the Society executed registered sale deeds in favor of various individuals, including Mahnoor Fatima Imran and others. These individuals asserted possession and approached the High Court seeking protection from dispossession by the Telangana State Industrial Infrastructure Corporation ([TSIIC](#)), alleging unlawful takeover.

Legal History

- The original owners had executed a General Power of Attorney (GPA) in 1974 in favor of a partnership firm (Sri Venkateswara Enterprises).
- Declarations under the Andhra Pradesh Land Reforms Act, 1973, and the Urban Land (Ceiling and Regulation) Act, 1976, were filed.
- By 1975, 99.07 acres, including the 53 acres in question, were declared surplus and vested in the State.
- Society filed a suit for specific performance in 1991, which was dismissed for default in 2001. A restoration application was also rejected in 2004.
- Nevertheless, the 1982 agreement was validated in 2006, and based on it, registered sale deeds were executed.

Issues Before the Supreme Court

- Whether a sale deed executed based on an unregistered and doubtful agreement to sell could confer a valid title?
- Whether the petitioners' possession was established in a manner sufficient to invoke protection under Article 226?
- Whether land that had vested in the State under land reforms could be claimed through private conveyance?

Legal Provisions Every Buyer Should Know

To make property transactions legally secure, familiarity with the following provisions is essential:

1. Sections 17 and 49 of the Registration Act, 1908

These sections mandate that any transaction involving the transfer of rights in immovable property must be registered. An unregistered document cannot be used as evidence in court and does not confer ownership.

Application in this case:

The petitioners' claim was based on an unregistered 1982 agreement. Despite being “validated” in 2006, it remained legally ineffective. The Court held that only a properly registered sale deed can confer ownership.

2. Section 53A of the Transfer of Property Act, 1882 (Doctrine of Part Performance)

This provision offers limited protection to a buyer who:

- Has taken possession under a contract for sale,

- Has fulfilled or is willing to fulfill contractual obligations, and
- Can prove actual, lawful possession.

Application in this case:

The petitioners failed to establish possession or contractual performance. The Court held that protection under Section 53A was not available.

Supreme Court's Analysis

1. Unregistered Agreement Cannot Confer Title

The Court held that under the Registration Act, 1908, any document that purports to transfer rights in immovable property must be compulsorily registered. The 1982 agreement was never registered, and its later "validation" in 2006 could not cure this statutory defect.

Further, the Court noted that there were two conflicting versions of the 1982 agreement, one indicating part payment and the other full payment, raising questions about its authenticity. Referring to *Suraj Lamp & Industries Pvt. Ltd. v. State of Haryana*, the Court reiterated that only a registered sale deed can legally transfer title.

2. Failure to Prove Possession

The petitioners failed to establish actual, lawful possession of the property. Their reliance on earlier interim orders issued in writ proceedings did not prove physical possession. The Court cited *Balkrishna Dattatraya Galande v. Balkrishna Rambharose Gupta*, to emphasize that in proceedings under Article 226 of the Constitution, possession must be demonstrated with evidence, not merely asserted.

3. Land Vesting Under Land Reforms: Final and Binding

The Court held that the land had already vested in the State in 1975 under the Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Act, 1973. Once such statutory vesting takes place, the land cannot be privately transferred. The alleged "revalidation" of the agreement in 2006 and the subsequent sale deeds executed in favour of the petitioners had no legal effect.

The Court relied on earlier binding decisions in *State of A.P. v. N. Audikesava Reddy*, and *Omprakash Verma v. State of A.P.*, both of which had upheld the finality and legal sanctity of land vested under statutory ceiling laws.

Implications for Practitioners and Real Estate Stakeholders

- Developers should undertake comprehensive due diligence when acquiring land through GPA, unregistered agreements, or legacy title documents. This is especially critical in urbanizing areas or regions previously subject to land ceiling laws.
- Financial institutions must implement strong title verification before accepting land as collateral. Relying on layered or backdated documents poses significant legal and financial risks.
- Litigants and property buyers must recognize that registration is not a procedural step; it is the legal foundation of ownership. Courts will not uphold rights arising from unregistered documents, even when accompanied by possession or part performance.

Conclusion

The Supreme Court's ruling in *Mahnoor Fatima Imran* settles a critical position in Indian property law: registered ownership is the only valid foundation for title to immovable property. Unregistered agreements, however old or "validated," and claims based solely on possession cannot override statutory requirements for lawful transfer.

This judgment reiterates three fundamental principles:

- Title must originate from a registered conveyance, not merely from an agreement to sell or oral arrangements.
- Possession must be lawful and proven, not merely claimed or inferred from interim protection.
- Land vested under statutory land reform laws cannot be reclaimed through private agreements, regardless of how well-documented they appear.

For legal practitioners, the decision emphasizes the need to verify not just the documentation but also the legal history and statutory status of the land. For buyers, developers, and financial institutions, the takeaway is clear: due diligence is not optional.

Every transaction must be backed by a properly executed and registered sale deed, as only such documentation is recognized in law as conferring ownership.

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