

News

Property title is not always conferred by a registered sale deed: The Supreme Court



The Court ruled that a property's title must come from the rightful owner and not only from a registered deed.

The Supreme Court has ruled that if the seller did not initially have a clear title, a registered sale deed cannot prove ownership of the property on its own. [**M/S Viswesara Infrastructure Pvt. Ltd. & Ors. vs. Mahnoor Fatima Imran & Ors**]

A buyer cannot legally claim possession of a property based on a registered sale deed, according to a bench of **Justices Sudhanshu Dhulia and K Vinod Chandran**. This is especially true where the land was previously owned by the government via land reform laws.

In a series of petitions concerning 53 acres of land in Raidurg Panmaktha village in the Ranga Reddy district of Telangana, the Court rendered its decision on May 7. The land belonged to a larger 99-acre parcel that had been vested in the State after being declared surplus under the 1975 Andhra Pradesh Land Reforms Act.

The original landowners' legal heirs filed the appeals. They contested a Telangana High Court Division Bench ruling that barred the State from evicting some people who said they had purchased the 53 acres from Bhavana Society, a cooperative housing society. These purchasers had depended on sale deeds that were registered and executed in their favor.

The Bhavana Society itself has not obtained a legitimate title, according to the Supreme Court. The basis for their claim was a 1982 selling agreement that was never followed by a registered conveyance. The Court ruled that both documents were untrustworthy, and a later-validated version of that agreement likewise seemed incongruous.

Based on the 1982 agreement, Bhavana Society had brought a claim for specific performance, but the suit was rejected in 2001 and was never reinstated, the Bench said. The Court ruled that the agreement's subsequent "revalidation" without appropriate registration was insufficient to prove title.

The Court ruled that "*there can be no valid transfer of title in the absence of a proper registered deed,*" noting that while registered documents notify the public of a transaction, they do not always prove ownership in cases when the seller lacks the legal authority to sell.

The Court further stated that, based on previous interim decisions issued in comparable matters, the Division Bench of the High Court had incorrectly inferred ownership in favor of the buyers. The applicants had not demonstrated actual possession, it said.

The Court stated that "actual and physical possession cannot be established by mere reliance on interim orders," and that the principle of possession is even more rigorously applied in writ proceedings in which no evidence is documented.

The Court upheld the single judge's decisions, which had denied the buyers protection from eviction. It stated that when possession is contested and the claim to title is ambiguous, the High Court's extraordinary authority under Article 226 of the Constitution should not be used.

The Court also cited a history of the original landowners' and their power of attorney holders'

disputed claims before different agencies under ceiling and land reform laws. It claimed that these processes demonstrated a tendency to change viewpoints based on practicality.

The Court stressed that all parties would be free to seek appropriate remedies before civil courts or under applicable statutes, even if it noted that the State may now move under the Land Reforms Act to protect the land.

In light of these conclusions, the Court authorized the appeals and upheld the one-judge ruling, so removing the buyers' eviction protection.

Senior Advocate Nidhesh Gupta and attorneys Yelamanchili Shiva represented the petitioners. Maria Jerome J, Tarun Gupta, P Mohith Rao, J Akshitha, J Venkat Sai, Eugene S Philomene, PS Sudheer, MA Chinnasamy, Devendra Pratap Singh, Rudrajit Ghosh, Santosh Kumar, Japneet Kaur, Trisha Chandran, Avi Leuna, Khyati Chhabra, and Maria Jerome J.

In addition to advocates Mahesh Agarwal, Arshit Anand, Vidisha Swarup, Aryan Rachh, Urmi H Raval, Shreshtha N, EC Agrawala, Devina Sehgal, S Uday Bhanu, Akhila Palem, D Srinivas, T Ratnakar, Somanatha Padhan, and C Raghavendren, the respondents were represented by Senior Advocates **Hiren P Raval and S Niranjana Reddy**.