CLAT PG Property Law

Sample Paper – 7

Duration: 20 Minutes **Maximum Marks: 20**

Instructions

- This paper contains **20 Multiple Choice Questions (Single Correct Answer)**, modelled on the Property Law portion of **CLAT PG** entrance.
- Each correct answer carries **+1 mark**. Each incorrect answer carries a penalty of −**0.25 marks**. Unattempted questions carry no penalty.
- Only **one** option is correct. Choose carefully.
- Syllabus: **Transfer of Property Act, 1882; Registration Act, 1908; Easements Act, 1882** (LLB level).
- Use of mobile phones, calculators, or electronic gadgets is strictly prohibited.

SECTION A – Questions

Q1. Rajendra executed a deed transferring his agricultural land to Meenakshi on the condition that she must bring his estranged brother back from a foreign country within one month. The brother had emigrated twenty years ago and his whereabouts were entirely unknown. Meenakshi accepted the deed but could not satisfy the condition. Rajendra thereafter sought a declaration that the transfer was void ab initio. Meenakshi contended that impossibility of performance should excuse the condition and the transfer should stand absolutely.

Under Section 25 of the Transfer of Property Act, 1882, which of the following correctly states the legal effect of a transfer made subject to a condition precedent that is impossible to perform?

(A) The transfer is void because a condition precedent that is impossible to perform renders the entire transfer void.

(B) The transfer becomes unconditional since impossibility of performance is deemed to excuse the condition.

(C) The transfer is valid, and Meenakshi is entitled to the property as if no condition had been attached.

(D) The court may substitute a reasonable and achievable alternative condition in place of the impossible one.

Q2. Harish transferred his house to Nandita for life, with a further provision in the same deed that upon Nandita's death the property shall pass to Govind if Govind is then alive, and if Govind is not alive, to the Government. A court subsequently declared Nandita's life interest void on the ground that she was a minor at the time of the transfer and could not be a competent transferee. The question arose whether the gift in favour of Govind was also affected by this invalidity.

Under Section 27 of the Transfer of Property Act, 1882, what is the legal effect on the ulterior disposition in favour of Govind when the prior limited interest in favour of Nandita fails?

(A) The gift to Govind is automatically void since the prior interest has failed and the ulterior disposition cannot stand independently.

(B) The gift to Govind takes effect as if the prior interest had never been created, and Govind is entitled to take the property immediately.

(C) The gift to Govind is merely suspended until the time when Nandita would have naturally died.

(D) The ulterior disposition merges back with the prior interest and both vest in the transferor by operation of law.

Q3. Kameshwar, an elderly landlord, executed a registered deed transferring his residential property "to such of my sons Ashwin, Bharat, and Chetan as shall be alive on the date of my death." At the time of the transfer, all three sons were living. Kameshwar died two years after the deed was executed. By the time of his death, Bharat had predeceased him. Ashwin and Chetan survived Kameshwar. A dispute arose as to the shares in which the surviving sons would take.

Which of the following correctly states the legal position under Section 24 of the Transfer of Property Act, 1882?

(A) All three sons – Ashwin, Bharat, and Chetan – take equal one-third shares since they were all alive at the time the deed was executed.

(B) The entire property devolves on Ashwin alone as the eldest among the surviving sons.

(C) Ashwin and Chetan take the property in equal shares as the only persons who fulfilled the condition of surviving until the specified period.

(D) The transfer fails entirely because one of the named persons (Bharat) did not survive to the specified period.

Q4. Prakashrao gifted a valuable commercial plot to his nephew Suresh by a registered deed. The deed contained an express clause stating: “If Suresh becomes insolvent or attempts to alienate this property, the same shall revert to Prakashrao.” Three years later, Suresh was adjudicated insolvent by a competent court, and his estate vested in the Official Receiver. The Official Receiver claimed the plot as part of Suresh’s insolvency estate. Prakashrao instituted a suit asserting that the property had already reverted to him by operation of the condition.

Under Section 31 of the Transfer of Property Act, 1882, which of the following most accurately describes the legal position?

(A) The reverter condition is void as an impermissible restraint on alienation contrary to Section 10 of the Transfer of Property Act, 1882.

(B) The reverter clause is enforceable only if it was separately registered as a charge on the property with the Sub-Registrar.

(C) The Official Receiver takes the property free of the reverter condition because insolvency proceedings extinguish all private conditional limitations.

(D) The condition is valid, and on Suresh’s adjudication as insolvent the property reverts to Prakashrao; the Official Receiver acquires no right over it.

Q5. Lakshmidevi owned a residential flat in Pune, a city duly notified under the Transfer of Property Act, 1882. She deposited the original title deeds of her flat with Bharat Cooperative Bank as security for a loan of Rs. 40 lakhs. No mortgage deed was executed, and no document of any kind was signed or registered. The bank disbursed the loan. On Lakshmidevi's default, the bank sought to enforce a mortgage over the flat. Lakshmidevi argued that in the absence of a registered deed, no valid mortgage had been created.

Which of the following best describes the legal position under the Transfer of Property Act, 1882?

(A) A valid mortgage by deposit of title deeds is created in notified towns by the mere act of deposit with intent to create security; no registered deed is required.

(B) Since no deed was executed or registered, the transaction amounts only to a pledge of documents and cannot be treated as a mortgage.

(C) The bank's interest is limited to a possessory lien over the title deeds and does not extend to the immoveable property itself.

(D) A mortgage by deposit of title deeds is void unless accompanied by a written agreement signed by the mortgagor specifying the loan terms.

Q6. Vijaykumar mortgaged his agricultural estate to Chandrabhan by delivering actual possession under a registered deed. Chandrabhan, as mortgagee in possession, collected rents from the sitting tenants, spent Rs. 2 lakhs on repairs to the estate's irrigation channels, took out an insurance policy on the standing crops, and paid the government land revenue dues. When Vijaykumar sued to redeem the mortgage, he disputed Chandrabhan's claim for reimbursement of the repair costs and insurance premiums, arguing that these expenses were incurred without his consent.

Under Section 72 of the Transfer of Property Act, 1882, which of the following correctly identifies the rights of a mortgagee in possession?

(A) A mortgagee in possession may only collect rents; he has no right to make repairs or take out insurance without the mortgagor's written prior consent.

(B) A mortgagee in possession has the statutory right to collect rents and profits, to insure the property, to make necessary repairs, and to be reimbursed for such expenses out of the mortgage money.

(C) The mortgagee in possession must collect all rents and profits and remit them to the mortgagor after deducting only the interest falling due on the principal.

(D) All expenses incurred by the mortgagee in possession are treated as personal expenditure and cannot be added to or recovered from the mortgage debt.

Q7. Dattarao mortgaged his house to Sitarama with delivery of possession under an express written arrangement recorded in the deed that "Sitarama shall collect the rents from the tenants of the house in lieu of interest on the mortgage money and no separate account shall be rendered." Sitarama collected rents for six years. Upon redemption proceedings, Dattarao demanded a full statement of all income received and all expenditures incurred. Sitarama refused, relying on the express arrangement in the deed.

Under Section 77 of the Transfer of Property Act, 1882, which of the following best describes the legal position?

(A) Sitarama must render a full account of all income and expenditure regardless of any contractual arrangement, as the duty to account is statutory and cannot be excluded.

(B) Sitarama's collection of rents in lieu of interest constitutes a usufructuary mortgage and he is entitled to retain all rents without any accounting obligation whatsoever.

(C) Where a mortgagee receives rents in lieu of interest under an express agreement, he need not account separately for those receipts, provided the arrangement is for the actual amount of interest and does not exceed it.

(D) The arrangement is void as it constitutes a clog on the equity of redemption, and Sitarama must apply all rents received towards reduction of the principal.

Q8. Ramnarayan's property was encumbered by three successive mortgages: a first mortgage to Anand for Rs. 10 lakhs, a second mortgage to Bhola for Rs. 6 lakhs, and a third mortgage to Chintan for Rs. 4 lakhs. Bhola, the second mortgagee, exercised his right and redeemed the first mortgage held by Anand, paying Anand's dues in full. A dispute then arose: Bhola claimed he was now subrogated to Anand's priority and could enforce the security against Chintan, while Chintan claimed an independent right to redeem Bhola.

Under Section 93 of the Transfer of Property Act, 1882, which of the following correctly states the governing principle?

(A) Having redeemed the first mortgage, Bhola steps into Anand's shoes and can enforce the security against Chintan, but Chintan has no corresponding right to redeem Bhola's mortgage.

(B) Chintan automatically acquires priority over Bhola because he holds the most recent mortgage and is therefore first in equity.

(C) Bhola's redemption of the first mortgage extinguishes all subsequent mortgages, including Chintan's, by consolidation.

(D) A puisne mortgagee who redeems a prior mortgage is entitled to the priority of that redeemed mortgage, and a subsequent mortgagee also has an independent right to redeem any prior mortgage standing above him.

Q9. Govardhan, a landlord in rural Maharashtra, leased his paddy fields to Tukaram for five agricultural seasons under a written deed. The deed was silent on the period of notice required for termination. When Govardhan sought to terminate by issuing one month's notice, Tukaram contested the notice, asserting that under Chapter V of the Transfer of Property Act, 1882 a six-month notice was mandatory for leases of agricultural land. Govardhan pointed to a Maharashtra agricultural tenancy enactment under which one month's notice was prescribed.

Under Section 117 of the Transfer of Property Act, 1882, which of the following correctly describes the position of agricultural leases?

(A) Agricultural leases are exempt from all provisions of Chapter V of the Transfer of Property Act, 1882, and are governed instead by local law or prevailing custom.

(B) Agricultural leases are fully governed by Chapter V, and a six-month notice is mandatory for termination regardless of any local enactment.

(C) Agricultural leases are exempt from Chapter V only if and when the state government issues a specific gazette notification to that effect.

(D) The exemption under Section 117 applies exclusively to leases of land used for growing food crops and not to cash crops or commercial cultivation.

Q10. Mahendra held a thirty-year lease of a commercial complex from Raghubir under a registered deed. In the tenth year of the lease, Mahendra sub-leased the ground floor to Sudarshan for a term of eight years. In the twelfth year of the head lease, Mahendra, facing financial difficulties, surrendered his lease to Raghubir by a deed of surrender. Raghubir immediately issued a notice to Sudarshan stating that the sub-lease was extinguished. Sudarshan refused to vacate, claiming that his sub-lease was an independent right unaffected by the surrender.

Under Section 115 of the Transfer of Property Act, 1882, what is the legal effect of Mahendra's surrender of the head lease on Sudarshan's sub-lease?

(A) Sudarshan's sub-lease is automatically terminated because the root of title, namely the head lease, no longer exists.

(B) Sudarshan's sub-lease continues unaffected, and Raghubir becomes the immediate landlord of Sudarshan for the remaining term of the sub-lease.

(C) Sudarshan must pay rent simultaneously to both Mahendra and Raghubir until the sub-lease term expires.

(D) The sub-lease is void ab initio since a sublessee can only lawfully hold possession through the original lessee.

Q11. Pratap owned an agricultural plot in District A and Vishwas owned a residential house in District B. They agreed to exchange their respective properties, each transferring to the other without any money passing between them. Both properties were worth more than Rs. 100. The parties drew up a single deed of exchange but did not register it. Subsequently a dispute arose, and Vishwas contended that the provisions of Chapter IV of the Transfer of Property Act, 1882 applicable to sales had no application to their exchange transaction.

Under Section 119 of the Transfer of Property Act, 1882, which of the following is the correct position?

(A) An exchange of property is entirely governed by the provisions of the chapter on gifts and not by Chapter IV on sales.

(B) An exchange requires separate documentation for each property being transferred, and Chapter IV on sales has no application.

(C) In an exchange, each party is treated as the seller of what he gives and the buyer of what he receives, and the provisions of Chapter IV apply mutually to both transfers.

(D) Exchange of immoveable property is wholly exempt from registration requirements under the Transfer of Property Act, 1882.

Q12. Salamat Ali, a Muslim, orally declared that he was making a gift of his entire landed property worth Rs. 80 lakhs to his close friend Govind, a Hindu. Govind accepted the declaration. No delivery of possession was made nor were the hiba formalities of offer (ijab) and acceptance (qabul) completed in the presence of witnesses as required under Mohammedan law. Govind sought to enforce the gift under the provisions of the Transfer of Property Act, 1882. Salamat Ali's legal heirs contested the gift, relying on the requirements of Muslim personal law.

Under Section 128 of the Transfer of Property Act, 1882, which of the following best describes the legal position?

(A) The Transfer of Property Act, 1882 overrides all personal law provisions regarding gifts and renders Mohammedan hiba formalities irrelevant.

(B) A gift by a Muslim is valid under the Transfer of Property Act, 1882 even without compliance with hiba formalities, as the Act provides a uniform code for all citizens.

(C) The provisions of the Transfer of Property Act, 1882 completely abolish Muslim and Hindu personal laws on gifts by substituting a single statutory regime.

(D) Section 128 expressly saves the rights of Muslims and Hindus to make gifts in accordance with their respective personal laws; a gift by a Muslim must accordingly comply with Mohammedan law requirements.

Q13. Pradeep was the holder of a promissory note executed by Rakesh for Rs. 5 lakhs. Pradeep transferred this actionable claim to Anjali by a written instrument. Anjali sent word of the transfer to Rakesh through a mutual friend who verbally informed Rakesh of the change in creditor. Rakesh, unaware of any formal notice, continued to make instalments to Pradeep, who accepted them. When Anjali later demanded payment, Rakesh argued that he had already discharged his obligation to Pradeep, having received no valid notice of the transfer.

Under Section 131 of the Transfer of Property Act, 1882, which of the following correctly states the requirement for giving notice of transfer of an actionable claim to the debtor?

(A) Notice of the transfer must be in writing signed by the transferor or his duly authorised agent, and a mere oral communication is insufficient to constitute valid notice.

(B) Any form of notice, including an oral message delivered through a third party, is sufficient to bind the debtor to the new creditor from the date of communication.

(C) Notice is not required at all; the transfer of an actionable claim is effective against the debtor from the very date the instrument of transfer is executed.

(D) Notice of transfer of an actionable claim must be given by the court through a formal judicial summons to be legally operative.

Q14. Mahesh owed Rs. 3 lakhs to Naresh under a written loan agreement. Naresh assigned the debt (being an actionable claim) to Satish by a registered instrument. Satish thereafter demanded payment from Mahesh. Mahesh resisted payment on the ground that Naresh had, in an earlier and separate transaction, defrauded him of Rs. 1.5 lakhs, creating a valid right of set-off in Mahesh's favour against Naresh. Satish argued that as a purchaser of the actionable claim he stood independently of any disputes between Mahesh and Naresh.

Under Section 132 of the Transfer of Property Act, 1882, which of the following is the correct position?

(A) Satish, as transferee of the actionable claim, takes it entirely free from all defences, equities, and rights of set-off that Mahesh had against the original creditor Naresh.

(B) Satish takes the actionable claim subject to all rights and defences, including the right of set-off, that Mahesh had against Naresh at the time of the transfer.

(C) Mahesh may raise only procedural defences (such as limitation) against Satish but is precluded from raising substantive defences like set-off or fraud.

(D) Satish's position as a transferee for value gives him a higher and superior right to the debt compared to the original creditor Naresh.

Q15. Justice Ramaiah, a sitting High Court judge, expressed keenness to purchase a debt of Rs. 10 lakhs owed by Ratan to Shankar, which was the very subject matter of litigation pending before his court. Advocate Venkat, who had appeared for one of the parties in the same case, also wished to purchase the actionable claim. Both purchases were subsequently challenged as being in violation of the Transfer of Property Act, 1882. The purchasers argued that the statute only restricted judges from acquiring claims in litigation before higher courts.

Under Section 136 of the Transfer of Property Act, 1882, which of the following correctly states the legal position?

(A) Only sitting judges are incapacitated from purchasing actionable claims that are the subject of litigation; advocates and court officers are not covered by the prohibition.

(B) The disqualification extends to the purchase of any actionable claim anywhere in the country, irrespective of whether the judge or advocate has any connection with the particular claim or case.

(C) No judge, legal practitioner, or officer connected with any court of justice shall purchase or traffic in any actionable claim forming the subject of litigation in which he is interested or which is pending before the court to which he is attached.

(D) The incapacity under Section 136 applies only to purchases for monetary consideration; a gift of an actionable claim to a sitting judge is therefore perfectly permissible.

Q16. Deepak purchased a parcel of land from Shankar under a registered sale deed. After the sale, Deepak discovered that his parcel was entirely surrounded by Shankar's remaining land on all sides, with no direct access to any public road. The sale deed made no mention of any right of way. Deepak demanded from Shankar a right of passage across his land to reach the public road. Shankar declined, contending that no easement had been expressly created in the deed of sale, and therefore no easement existed.

Under Section 13 read with Section 19 of the Easements Act, 1882, which of the following correctly describes the position with respect to easement of necessity?

(A) An easement of necessity can be claimed only if it was specifically mentioned and demarcated in the original deed of conveyance by the transferor.

(B) An easement of necessity arises only in favour of landlocked properties owned by or transferred to government agencies or statutory bodies.

(C) An easement of necessity requires the claimant to prove continuous and uninterrupted enjoyment for a period exceeding twenty years before it can be enforced.

(D) An easement of necessity arises by implied grant or reservation when the convenient or necessary enjoyment of the dominant heritage would be impossible without it and both heritages were at some point in time owned by the same person.

Q17. Mohan owned a factory and the adjacent land. He sold the factory building to Rajan by a registered deed which expressly stated that Rajan "shall have the right to lay and maintain a drainage pipe through the adjacent land to the municipal drain." Mohan subsequently sold the adjacent land to Krishnan. Krishnan, without notice of the earlier deed, blocked the drainage pipe by constructing a wall. Rajan claimed the right to use the drainage as an easement by express grant.

Under Section 13 of the Easements Act, 1882, which of the following best describes the nature of easements acquired by grant?

(A) An easement may be acquired by an express grant through a written instrument or by an implied grant arising from the circumstances of the transfer, and both kinds of grant bind subsequent owners of the servient heritage.

(B) An easement by grant is valid and enforceable only if it is registered separately from the main deed of conveyance in which it appears.

(C) An implied grant of an easement can arise solely through long prescription and cannot arise from the terms or circumstances of a contemporaneous sale deed.

(D) An express grant of an easement is effective only against the grantor personally and does not run with the land so as to bind subsequent purchasers of the servient heritage.

Q18. In a coastal fishing village, the fishermen had for centuries dried their nets and mended their boats on the foreshore land that belonged to the local zamindar. This practice was universally recognised and accepted within the community and had been followed without interruption. When the zamindar's successor fenced off the foreshore and denied access, the fishermen asserted their right to continue using it. The successor argued that a customary right was not an "easement" within the meaning of the Easements Act, 1882.

Under Section 6 of the Easements Act, 1882, which of the following correctly describes the nature of a customary easement?

(A) A customary easement is not recognised under the Easements Act, 1882 and must be treated merely as a revocable licence personal to each fisherman.

(B) A customary easement is a right which exists in a defined class of persons by virtue of a local custom recognised by law, and its existence does not depend upon any specific grant or individual prescription.

(C) Customary easements can be legally enforced only if they have been registered with the Sub-Registrar of the area in which the servient heritage is situated.

(D) A customary easement is a concept applicable exclusively to urban localities and does not extend to rural coastal or agricultural communities.

Q19. Bhaskar owned a dominant heritage with an appurtenant right of way across Ramesh's land, which served as the servient heritage. Bhaskar wrote a signed letter addressed to Ramesh in which he stated: "I hereby forever relinquish and give up my right of way over your land and shall make no claim in respect thereof henceforth." Relying on the letter, Ramesh constructed a compound wall permanently blocking the path. Three years later, Bhaskar instituted a suit claiming that his easement was still subsisting and had not been validly extinguished.

Under Section 37 of the Easements Act, 1882, which of the following correctly states the legal effect of Bhaskar's letter?

(A) An easement cannot be extinguished by a mere letter; a duly registered deed of release is always necessary for the extinction to be legally operative.

(B) An easement can be extinguished only by operation of law; a unilateral declaration by the owner of the dominant heritage is legally ineffective.

(C) An easement may be extinguished by an express release in writing signed by the owner of the dominant heritage, and also by an implied release arising from conduct that unequivocally indicates an intention to abandon the right permanently.

(D) Bhaskar's easement could only be extinguished if Ramesh paid consideration in exchange for the release, as a gratuitous release of an easement is not legally recognised.

Q20. Anand orally agreed to sell his house to Bhim for Rs. 30 lakhs, and Bhim paid an advance of Rs. 6 lakhs as earnest money. No written agreement for sale was executed. Subsequently, Anand executed and registered a sale deed transferring the same house to Chandar for the full market value of Rs. 30 lakhs. Chandar was a bona fide purchaser with no knowledge whatsoever of the prior oral arrangement between Anand and Bhim. Bhim sought to have the registered sale deed set aside and claimed priority for his earlier oral agreement.

Under Section 48 of the Registration Act, 1908, which of the following correctly describes the legal position?

(A) Bhim's prior oral agreement prevails over Chandar's later registered sale deed because the oral agreement was entered into first in point of time.

(B) Bhim's payment of earnest money creates an equitable charge over the property that overrides any subsequently registered instrument.

(C) Chandar's registered sale deed is void because Bhim's prior oral contract created an equitable interest in the property that was earlier in time and therefore superior in equity.

(D) A registered instrument prevails over any prior unregistered document or oral transaction relating to the same immoveable property; Chandar's registered sale deed accordingly takes priority over Bhim's prior oral agreement.

DETAILED SOLUTIONS

Sol. 1. Answer: (A)

Solution

Concept: Section 25 of the Transfer of Property Act, 1882 governs conditional transfers. It provides that a transfer to take effect on the performance of a condition precedent is subject to the nature of the condition. Where the condition precedent is impossible to perform, the entire transfer is void because the condition precedent is the very basis on which the transfer is to become operative.

Analysis: In the present case, the condition that Meenakshi must locate and bring back Rajendra's brother – who had been untraceable for twenty years – was objectively impossible of performance. Since this was a condition precedent (i.e., the transfer was to take effect only upon fulfilment of the condition), its impossibility renders the transfer void. There is no principle under Section 25 that waives or excuses an impossible condition precedent so as to make the transfer absolute.

Why other options are wrong:

- **(B):** This is the rule applicable to certain types of conditions subsequent, not conditions precedent. When a condition precedent is impossible, the transfer itself does not take effect at all.
- **(C):** The transfer cannot be treated as valid and absolute when the condition precedent on which it was founded is impossible; there is no severing of the condition from the transfer in such a case.
- **(D):** Courts do not have jurisdiction to substitute a "reasonable" condition in place of an impossible condition precedent under Section 25; the provision mandates voidness.

Final Answer: (A) – The transfer is void because the condition precedent is impossible to perform.

Sol. 2. Answer: (B)

Solution

Concept: Section 27 of the Transfer of Property Act, 1882 deals with ulterior dispositions – interests that are to accrue to a third person upon the failure or determination of a prior limited interest. The provision ensures that the invalidity or failure of the prior interest does not necessarily destroy the ulterior gift;

instead the ulterior gift may take effect as if the prior interest had never existed.

Analysis: Here, Harish created a life estate in favour of Nandita (prior limited interest) and an ulterior gift to Govind on Nandita's death. The prior interest in Nandita's favour was declared void because she was a minor. Under Section 27, when a prior limited interest fails, the ulterior disposition (gift to Govind) is entitled to take effect as if the prior interest had ceased. Govind need not wait for Nandita's natural death; he may take the property immediately as the prior interest is treated as having not arisen.

Why other options are wrong:

- **(A):** The failure of a prior interest does not automatically void the ulterior disposition; Section 27 expressly saves it.
- **(C):** There is no rule of suspension pending Nandita's notional lifespan; the ulterior gift vests at once upon failure of the prior interest.
- **(D):** Merger into the prior interest is not the legal consequence; the ulterior disposition is an independent interest that survives the failure of the prior interest.

Final Answer: **(B)** – The gift to Govind takes effect immediately as if the prior interest had never been created.

Sol. 3. **Answer: (C)**

Solution

Concept: Section 24 of the Transfer of Property Act, 1882 provides that where a transfer is made "to such of certain persons as shall be living at a certain period," only those persons who are alive at the specified time take the benefit. The property passes in equal shares to all who survive.

Analysis: Kameshwar transferred his property to "such of Ashwin, Bharat, and Chetan as shall be alive on the date of my death." The specified period is Kameshwar's death. At that time, Ashwin and Chetan were alive while Bharat had predeceased Kameshwar. Therefore, only Ashwin and Chetan satisfied the condition and they take the property in equal shares. Bharat's share does not pass to his heirs since he was not alive at the specified period.

Why other options are wrong:

- **(A):** The relevant time for determining entitlement is the specified period (date of Kameshwar's death), not the date of the deed; Bharat was not alive at the specified time and takes nothing.

- **(B):** Section 24 gives no preference based on age or seniority; surviving transferees take in equal shares.
- **(D):** The transfer does not fail merely because one named person did not survive; those who do survive take proportionately.

Final Answer: (C) – Ashwin and Chetan take in equal shares as the survivors at the specified period.

Sol. 4. Answer: (D)

Solution

Concept: Section 31 of the Transfer of Property Act, 1882 expressly permits a transferor to annex a condition to a transfer that the transfer shall cease to have effect if the transferee becomes insolvent or attempts to alienate the property. Such a condition is valid and enforceable. On the happening of the specified event, the transfer ceases and the property reverts to the transferor.

Analysis: Prakashrao inserted a reverter clause in the gift deed providing that the property would revert if Suresh became insolvent. When Suresh was adjudicated insolvent, the triggering event occurred. By operation of Section 31, the property ceased to belong to Suresh at that moment and reverted to Prakashrao. The property therefore did not form part of Suresh's insolvency estate, and the Official Receiver acquired no right over it.

Why other options are wrong:

- **(A):** Section 31 is a specific and independent provision that permits conditions of this nature; it is not overridden by Section 10 (which bars absolute restraints on alienation). A reverter on insolvency is a permissible special condition, not a general restraint on alienation.
- **(B):** No separate registration of the reverter clause as a charge is necessary; it operates by virtue of the transfer deed itself.
- **(C):** Insolvency proceedings vest only the property belonging to the insolvent at the time. Since the property had already reverted to Prakashrao by operation of the condition, it was not part of Suresh's estate.

Final Answer: (D) – The condition is valid; the property reverts to Prakashrao on Suresh's insolvency.

Sol. 5. Answer: (A)

Solution

Concept: Section 58(d) of the Transfer of Property Act, 1882 recognises mortgage by deposit of title deeds (equitable mortgage). In towns notified by the state government under this section, a mortgage is created by the mere act of depositing the title deeds of the property with the creditor with the intention of creating a security. No deed, writing, or registration is required for such a mortgage to be valid.

Analysis: Lakshmidevi deposited the title deeds of her flat in Pune (a notified town) with Bharat Cooperative Bank as security for the loan. The intent to create security was clear. Under Section 58(d), this act alone creates a valid mortgage by deposit of title deeds. The bank is therefore a mortgagee with all attendant rights, including the right to enforce the security on default, without the need for any executed or registered deed.

Why other options are wrong:

- **(B):** A mortgage by deposit of title deeds is a true mortgage over the immoveable property itself and not merely a pledge of documents; the distinction between pledge and mortgage is fundamental.
- **(C):** The bank's interest is not confined to a lien over the title deeds; it is a mortgage over the property itself, enforceable by suit for sale.
- **(D):** Section 58(d) requires no written agreement; in notified towns the deposit itself, made with intent to create security, is sufficient.

Final Answer: (A) – The deposit of title deeds in a notified town creates a valid mortgage without any deed or registration.

Sol. 6. **Answer: (B)**

Solution

Concept: Section 72 of the Transfer of Property Act, 1882 delineates the statutory rights of a mortgagee who has been put in possession of the mortgaged property. These rights include: collecting rents and profits; insuring the property against loss or damage by fire; making such necessary repairs as the court may sanction; and paying government revenue or other charges that have become a charge on the property.

Analysis: Chandrabhan, as mortgagee in possession, was entitled by statute to collect rents, insure the crops, repair the irrigation infrastructure, and pay the land revenue. These are all expressly recognised rights under Section 72. The mortgagee is entitled to be reimbursed for the costs of insurance and necessary repairs out of the mortgage money at the time of redemption, irrespective of whether the mortgagor had given prior written consent.

Why other options are wrong:

- **(A):** Section 72 expressly extends the mortgagee's rights beyond mere rent collection to include insurance and necessary repairs; prior consent of the mortgagor is not required.
- **(C):** The mortgagee is not required to remit all rents to the mortgagor after deducting interest; he may apply rents to costs, repairs, insurance, taxes, and then to interest and principal as applicable.
- **(D):** Costs of necessary repairs and insurance are not personal to the mortgagee; they are chargeable to and recoverable from the mortgagor under Section 72.

Final Answer: **(B)** – A mortgagee in possession has the statutory right to collect rents, insure, make necessary repairs, and be reimbursed.

Sol. 7. **Answer: (C)**

Solution

Concept: Section 77 of the Transfer of Property Act, 1882 governs the situation where a mortgagee is allowed to hold possession and collect rents and profits in lieu of interest. Where such an arrangement exists, the mortgagee need not account separately for the rents he collects, provided the arrangement is for the actual amount of interest due and does not exceed it. The purpose is to give effect to the express agreement of the parties.

Analysis: The deed between Dattarao and Sitarama expressly provided that Sitarama would receive rents in lieu of interest, with no separate accounting. This is a valid arrangement under Section 77. Sitarama is entitled to retain those rents up to the amount of interest falling due without rendering a detailed account. However, if the rents collected exceed the actual interest, the excess must be applied towards principal.

Why other options are wrong:

- **(A):** The duty to account is not absolute and can be modified by express agreement under Section 77; Dattarao cannot insist on a full account when the deed expressly excludes it within the limits of actual interest.
- **(B):** This is not a pure usufructuary mortgage (Section 58(d)); the distinction matters because usufructuary mortgages have their own regime. Under

Section 77, rents are held only to the extent of actual interest, not in perpetuity.

- **(D):** There is no principle that a receipts-in-lieu-of-interest arrangement constitutes a clog on the equity of redemption; it is a legitimate contractual arrangement expressly recognised by the statute.

Final Answer: **(C)** – Under Section 77, no separate account need be rendered for rents collected in lieu of interest, subject to the limit of actual interest.

Sol. 8. **Answer: (D)**

Solution

Concept: Section 93 of the Transfer of Property Act, 1882 deals with the redemption of puisne mortgages. A puisne mortgagee who redeems a prior mortgage is subrogated to the position of the prior mortgagee and acquires his priority. At the same time, the section also preserves the right of subsequent mortgagees to redeem any mortgage standing prior to them, enabling an orderly priority system among multiple encumbrances.

Analysis: Bhola (second mortgagee) redeemed Anand's first mortgage. By virtue of Section 93, Bhola steps into Anand's shoes and acquires the first mortgage's priority, allowing him to enforce it against Chintan (third mortgagee). Simultaneously, Chintan is not left without a remedy – he also retains the right to redeem Bhola's mortgage (second mortgage) and to have his own mortgage position acknowledged. Both facets – the redeemed mortgagee's priority and the subsequent mortgagee's redemption right – are preserved.

Why other options are wrong:

- **(A):** Section 93 is a two-way provision; it also gives Chintan the right to redeem Bhola's mortgage, so Chintan is not left without remedy.
- **(B):** The later-in-time mortgage has no automatic priority; priority follows security and registration, not mere chronological order.
- **(C):** A puisne mortgagee's redemption of a prior mortgage does not extinguish mortgages subsequent to the one redeemed; Chintan's third mortgage continues independently.

Final Answer: **(D)** – A puisne mortgagee who redeems a prior mortgage gets its priority, and a subsequent mortgagee retains the right to redeem any prior mortgage.

Sol. 9. **Answer: (A)**

Solution

Concept: Section 117 of the Transfer of Property Act, 1882 contains an important blanket exemption: none of the provisions of Chapter V (which deals with leases of immoveable property, including notice periods for termination) shall apply to agricultural leases. Such leases are instead governed by the laws and customs in force in the locality where the property is situated.

Analysis: Tukaram's lease was of paddy fields used for agriculture. Chapter V of the Transfer of Property Act, 1882 is entirely inapplicable to it. The terms of notice for termination, the duration of the lease, and all other conditions are governed by the Maharashtra agricultural tenancy law invoked by Govardhan. The six-month notice requirement under Chapter V has no application and cannot be invoked by Tukaram.

Why other options are wrong:

- **(B):** This directly contradicts Section 117; Chapter V is expressly excluded in its entirety from agricultural leases.
- **(C):** The exemption under Section 117 is automatic and statutory; no separate gazette notification by the state government is required to activate it.
- **(D):** Section 117 draws no distinction between types of agricultural activity (food crops versus cash crops); the exemption covers all agricultural leases.

Final Answer: **(A)** – Agricultural leases are wholly exempt from Chapter V; local law and custom govern.

Sol. 10. **Answer: (B)**

Solution

Concept: Section 115 of the Transfer of Property Act, 1882 provides that a surrender or forfeiture of a head lease shall not affect the rights of a sub-lessee or sub-tenant. The surrender or forfeiture operates between the head lessee and the head lessor; the sub-lessee's independent right is protected. Following surrender, the head lessor steps into the shoes of the head lessee and becomes the immediate landlord of the sub-lessee.

Analysis: Mahendra surrendered his head lease to Raghubir. Under Section 115, this surrender cannot prejudice Sudarshan's sub-lease. Sudarshan's sub-lease continues for its agreed term of eight years. Raghubir now becomes Sudarshan's direct landlord and is entitled to collect rent from Sudarshan. Raghubir cannot evict Sudarshan merely because the head lease has been surrendered.

Why other options are wrong:

- **(A):** Section 115 is designed precisely to protect the sub-lessee from the consequences of the head lessee's voluntary surrender; the sub-lease is not terminated.
- **(C):** There is no obligation on Sudarshan to pay rent to both parties simultaneously; after surrender he pays rent to Raghubir alone as the new immediate landlord.
- **(D):** A sublessee holds a valid independent interest carved out of the head lessee's interest; it is not void ab initio merely because it depends derivatively on the head lease.

Final Answer: **(B)** – Sudarshan's sub-lease continues and Raghubir becomes his immediate landlord.

Sol. 11. **Answer: (C)**

Solution

Concept: Section 119 of the Transfer of Property Act, 1882 provides that in a transaction of exchange, each party is treated simultaneously as a seller of what he gives and as a buyer of what he receives. Accordingly, the provisions of Chapter IV (Transfers of Property by Act of Parties, specifically applicable to sales) apply mutually to both transfers. Registration requirements for a conveyance of immoveable property therefore apply to an exchange as well.

Analysis: In the exchange between Pratap and Vishwas, Pratap is the seller of the agricultural plot and the buyer of the residential house; Vishwas occupies the converse position. Chapter IV provisions – including the requirement for registration where the value exceeds Rs. 100 – apply to both transfers. The unregistered deed of exchange therefore does not confer any title and the provisions of Chapter IV on sales govern the obligations of the parties.

Why other options are wrong:

- **(A):** Section 119 specifically applies Chapter IV (sales) to exchanges; it does not route exchanges through the chapter on gifts.
- **(B):** Section 119 contemplates a single deed of exchange covering both transfers; no separate documentation for each property is mandated, and Chapter IV does apply.

- **(D):** There is no statutory exemption from registration for exchanges; the same registration thresholds that apply to sales apply to exchanges.

Final Answer: $\boxed{\text{(C)}}$ – Each party is seller and buyer respectively; Chapter IV (sale provisions) applies mutually to both transfers.

Sol. 12. $\boxed{\text{Answer: (D)}}$

Solution

Concept: Section 128 of the Transfer of Property Act, 1882 is a saving clause that preserves the operation of Mohammedan law on gifts. It expressly provides that nothing in the chapter on gifts (Chapter VII of the TPA) shall be deemed to affect any rule of Mohammedan law. A gift by a Muslim to be valid must comply with the requirements of Muslim personal law (hiba): offer (ijab), acceptance (qabul), and delivery of possession.

Analysis: Salamat Ali is a Muslim making a gift. Section 128 saves Muslim personal law, meaning the TPA gift provisions do not govern the validity of his gift. The hiba requirements – including delivery of possession – were not completed. The gift is therefore not valid under Mohammedan law. The heirs of Salamat Ali are correct in contending that Govind cannot enforce the gift under the TPA in the face of the Section 128 saving clause.

Why other options are wrong:

- **(A):** Section 128 expressly rejects the idea that the TPA overrides Mohammedan law on gifts; it saves personal law.
- **(B):** A Muslim cannot claim the benefit of the TPA gift provisions to bypass hiba formalities; Section 128 specifically forecloses this argument.
- **(C):** Section 128 does not abolish personal laws; it preserves them. The TPA and personal laws operate in parallel, with personal law governing gifts by persons to whom it applies.

Final Answer: $\boxed{\text{(D)}}$ – Section 128 saves Muslim personal law; a gift by a Muslim must comply with Mohammedan law requirements.

Sol. 13. $\boxed{\text{Answer: (A)}}$

Solution

Concept: Section 131 of the Transfer of Property Act, 1882 lays down the requirement for giving notice to the debtor when an actionable claim is transferred.

The section mandates that every notice of such transfer must be in writing and signed by the transferor or his duly authorised agent. Until such written notice is given, payments made by the debtor to the original creditor (transferor) are a good discharge.

Analysis: The transfer of the promissory note by Pradeep to Anjali was effective as between Pradeep and Anjali upon execution. However, notice to Rakesh was required to be in writing and signed by Pradeep (the transferor) or his agent. An oral message conveyed through a friend does not constitute valid notice under Section 131. Rakesh had no written notice; his payments to Pradeep were therefore a good discharge, and he cannot be made to pay again to Anjali.

Why other options are wrong:

- **(B):** Section 131 prescribes written notice as a specific requirement; oral or informal communication does not satisfy this statutory condition.
- **(C):** The transfer is effective as between transferor and transferee on execution, but against the debtor, notice is required; without notice the debtor can validly pay the original creditor.
- **(D):** No court summons or judicial process is required; a written notice signed by the transferor or his authorised agent is sufficient and all that is required.

Final Answer: **(A)** – Notice of transfer of actionable claim must be in writing signed by the transferor; oral notice is insufficient.

Sol. 14. **Answer: (B)**

Solution

Concept: Section 132 of the Transfer of Property Act, 1882 embodies the principle that a transferee of an actionable claim takes it subject to all the liabilities and equities to which the transferor was subject at the time of the transfer. The debtor may set up against the transferee any defence, set-off, or right of counter-claim that he had against the original creditor at the time notice of the transfer was received.

Analysis: Naresh assigned the debt to Satish. Mahesh had a valid right of set-off against Naresh arising from Naresh's fraud in an earlier transaction. Under Section 132, Satish takes the actionable claim subject to this existing defence. Mahesh is entitled to reduce Satish's claim by Rs. 1.5 lakhs, being the amount of the set-off. Satish's status as a transferee for value does not protect him from defences that the debtor had against the assignor at the date of transfer.

Why other options are wrong:

- **(A):** Section 132 specifically provides the opposite of this proposition; the transferee is expressly bound by the defences available against the transferor.
- **(C):** Section 132 draws no distinction between procedural and substantive defences; substantive defences such as fraud and set-off are expressly available against the transferee.
- **(D):** A transferee of an actionable claim does not acquire a position superior to that of the original creditor; he merely steps into the original creditor's shoes, taking the claim as it stood.

Final Answer: **(B)** – Satish takes the actionable claim subject to all defences including set-off that Mahesh had against Naresh.

Sol. 15. Answer: (C)

Solution

Concept: Section 136 of the Transfer of Property Act, 1882 creates a statutory incapacity: no judge, legal practitioner, or officer connected with any court of justice shall buy or traffic in any actionable claim that is the subject of litigation pending before the court to which the judge, practitioner, or officer is attached, or in which he is interested or involved. The provision is a measure against conflict of interest and corruption of justice.

Analysis: Both Justice Ramaiah and Advocate Venkat are directly connected with the litigation in which Shankar's debt against Ratan is the subject matter. Justice Ramaiah is the presiding judge; Advocate Venkat has appeared as counsel. Both fall squarely within the incapacity created by Section 136. Their purchases of the actionable claim are void. The argument that only higher-court litigation is covered is incorrect; the section refers to the court to which the person is attached or with which he is connected.

Why other options are wrong:

- **(A):** Section 136 expressly covers "legal practitioners" and "officers connected with any court of justice" in addition to judges; Advocate Venkat is equally disqualified.
- **(B):** The disqualification is not universal for all actionable claims everywhere; it is confined to claims that are the subject of litigation in which the person is interested or which is pending before his court.

- **(D):** Section 136 is not limited to purchases for monetary consideration; the prohibition covers all forms of trafficking in actionable claims, including transactions structured as gifts.

Final Answer: $\boxed{\text{(C)}}$ – Judges, legal practitioners, and court officers are incapacitated from purchasing actionable claims in pending litigation in which they are connected.

Sol. 16. $\boxed{\textbf{Answer: (D)}}$

Solution

Concept: An easement of necessity arises by implication when property is transferred and without the easement the transferred property would be inaccessible or its enjoyment would be impossible. Section 13 of the Easements Act, 1882 codifies easements of necessity, and Section 19 provides that such easements arise upon the severance of a common ownership. The key elements are: (i) the dominant and servient heritages were at some point held under common ownership; (ii) the easement is strictly necessary for the enjoyment of the dominant heritage (not merely convenient); and (iii) the easement is by implied grant or reservation arising from the circumstances of the transfer.

Analysis: Deepak's plot was sold by Shankar from Shankar's own larger property, establishing the requirement of prior common ownership. After the sale, Deepak's plot was landlocked with no access to a public road except across Shankar's retained land. The easement of right of way over Shankar's land is therefore one of necessity – not of convenience – and arises by implied grant at the time of the conveyance to Deepak. No express mention in the deed is required.

Why other options are wrong:

- **(A):** An easement of necessity arises by implied grant from the circumstances of the transfer; an express mention in the deed is not a prerequisite.
- **(B):** Easements of necessity are available to private individuals and are not restricted to government bodies or statutory undertakings.
- **(C):** Easements of necessity arise upon transfer and do not require twenty years of enjoyment; that period applies to prescriptive easements under Section 15 of the Easements Act.

Final Answer: $\boxed{\text{(D)}}$ – An easement of necessity arises by implied grant when common ownership is severed and access is impossible without the easement.

Sol. 17. Answer: (A)

Solution

Concept: Section 13 of the Easements Act, 1882 recognises that easements may be acquired by grant. A grant may be express (created by explicit words in a deed or other instrument) or implied (arising from the circumstances of a transfer of property even without explicit words). Both forms of grant are effective to create a valid easement that runs with the dominant heritage and binds subsequent owners of the servient heritage.

Analysis: The sale deed from Mohan to Rajan expressly granted the right to lay a drainage pipe through the adjacent land. This is an express grant of an easement by written instrument. The easement is appurtenant to the factory (dominant heritage) and binds the adjacent land (servient heritage). When Mohan sold the adjacent land to Krishnan, the easement – being appurtenant to the factory – continued and bound Krishnan as the new owner of the servient heritage, regardless of whether Krishnan had notice. Krishnan therefore had no right to block the drainage pipe.

Why other options are wrong:

- **(B):** An easement by express grant that appears in a registered conveyance deed is itself validly granted; no separate registration of the easement alone is required under the Easements Act.
- **(C):** Implied grants of easements can arise from the circumstances of a sale or other transfer of property, including from the terms of a contemporaneous deed; prescription is only one route to acquiring an easement.
- **(D):** An easement by express or implied grant is an interest in land (an interest appurtenant) and runs with the dominant heritage, binding all subsequent owners of the servient heritage; it is not personal to the grantor.

Final Answer: $\boxed{\text{(A)}}$ – Easements by express or implied grant bind subsequent owners of the servient heritage.

Sol. 18. Answer: (B)

Solution

Concept: Section 6 of the Easements Act, 1882 recognises customary easements – rights that exist in a defined class or community of persons not by virtue of any specific grant or individual prescription, but by reason of a local custom that has been followed from time immemorial and is recognised by law. No individual need prove that he personally exercised the right; it is sufficient that the class to which he belongs has done so by custom.

Analysis: The fishermen of the coastal village have for centuries exercised the right to dry nets and mend boats on the foreshore. This is a class-based right existing by virtue of a local custom. Under Section 6 of the Easements Act, 1882, such a customary easement is a legally recognised right. It does not require any express grant to the fishermen individually nor twenty years of prescription by each fisherman. The zamindar's successor is bound by the customary easement.

Why other options are wrong:

- **(A):** Section 6 expressly recognises customary easements as a species of easement under the Act; they are not reduced to mere revocable licences.
- **(C):** No registration of a customary easement is required; it derives its validity from the custom itself and its recognition in law, not from any document.
- **(D):** Customary easements are not confined to urban areas; Section 6 contains no such geographic restriction and customary rights in rural and coastal communities are well recognised.

Final Answer: $\boxed{\textbf{(B)}}$ – A customary easement exists in a defined class by virtue of recognised local custom, without need of specific grant or individual prescription.

Sol. 19. $\boxed{\textbf{Answer: (C)}}$

Solution

Concept: Section 37 of the Easements Act, 1882 provides two modes by which an easement may be extinguished by release. First, express release: the owner of the dominant heritage may release the easement by a signed writing addressed to the owner of the servient heritage. Second, implied release: an easement is extinguished by conduct on the part of the owner of the dominant heritage that unequivocally indicates a permanent and voluntary intention to abandon the right.

Analysis: Bhaskar wrote a signed letter to Ramesh expressly relinquishing his right of way. This satisfies the requirements of an express release under Section 37 – it is in writing and signed by the owner of the dominant heritage. The easement is therefore extinguished upon the letter being communicated to Ramesh. Ramesh was entitled to rely on it and construct the compound wall. Bhaskar cannot subsequently resile from his clear and unambiguous written release.

Why other options are wrong:

- **(A):** Section 37 does not require a registered deed for the release of an easement; a signed writing is sufficient for express release.

- **(B):** Section 37 specifically contemplates voluntary release by the dominant heritage owner as a mode of extinction; it is not confined to operation of law.
- **(D):** Section 37 imposes no requirement of consideration for a valid release; an easement is a right in property and can be gratuitously released by the owner of the dominant heritage.

Final Answer: (C) – An easement is extinguished by express release (signed writing) or implied release (conduct showing abandonment).

Sol. 20. Answer: (D)

Solution

Concept: Section 48 of the Registration Act, 1908 lays down the rule of priority of registered documents. Every registered instrument relating to immoveable property shall take effect against every oral agreement or unregistered document relating to the same property, except in cases where an unregistered instrument is expressly allowed by law to take effect. The registration of a deed gives it priority from the time it would have operated had no registration been required.

Analysis: Bhim's prior oral agreement with Anand was for the sale of the house. This oral agreement, however, is not enforceable against a subsequent registered instrument in the chain. Chandar obtained a registered sale deed from Anand and was a bona fide purchaser with no notice of the oral agreement. Under Section 48, Chandar's registered sale deed prevails over Bhim's prior oral arrangement. Bhim's remedy (if any) lies against Anand personally (for breach of the oral agreement and for repayment of the earnest money), but he cannot defeat Chandar's title.

Why other options are wrong:

- **(A):** Under Section 48, prior-in-time rule applies only as between instruments of equal standing; an oral agreement is always subordinate to a subsequently registered deed under the Registration Act.
- **(B):** Payment of earnest money does not create a registered charge or encumbrance; without registration, it cannot override Chandar's registered title under Section 48.
- **(C):** A prior oral agreement creates at best an equitable interest inter partes; it cannot defeat the subsequently registered deed in the hands of a bona fide

purchaser under Section 48 of the Registration Act.

Final Answer: $\boxed{\textbf{(D)}}$ – A registered instrument prevails over any prior oral or unregistered agreement for the same property.

Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	A	2	B	3	C	4	D	5	A
6	B	7	C	8	D	9	A	10	B
11	C	12	D	13	A	14	B	15	C
16	D	17	A	18	B	19	C	20	D