



General Power of Attorney

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Q. I am the general power of attorney-holder of my property. The person who granted the attorney in my favour has, passed away. Now I want to transfer the property. I'd like to know if the said GPA is still in force.

— *Atandon, Delhi*

A. Now, let me clarify the issue regarding the validity of an act carried out/executed after the death of the donor of a general power of attorney. Section 202 of the Indian Contract Act lays down the rule that 'an authority coupled with an interest is irrevocable.' The section provides that where the agent himself has an interest in the property, which forms the subject-matter of the agency, the agency cannot, in the absence of an express contract, be terminated to the prejudice of such interest. The rule is explained by Wilde, C.J., in *Smart Vs. Sander*, (1848) 5 CB 895; 138 ER 1132, to mean that 'where an agreement is entered into on sufficient consideration, whereby an authority is given for the purpose of conferring some benefit on the donee of that authority, such authority is irrevocable. That is what an authority coupled with an interest usually means.' Enunciating the general principles relating to irrevocable power-of-attorney, the Supreme Court in '*Seth Loon Karan Vs. IE John*' AIR 1969 SC 73: (1969) 1 SCR 122 and in '*Bharat Nidhi Ltd Vs Takhtmal*', AIR 1969 SC 313, has held that it is settled law that where the agency is created for valuable consideration and authority is given to effectuate a security or to secure interest of the agent/attorney, the authority being coupled with interest, cannot be revoked, lose its validity on death of the donor of the attorney.

Q. I bought a flat in Rohini on the basis of GPA, agreement to sell and a will. Now, I want to convert the ownership from leasehold to free-hold. Please inform me, whether the Delhi Development Authority recognises the above said documents?

— *Rashid H, Delhi*

A. The Delhi Development Authority considers the above stated while converting the ownership status from lease-hold to free-hold. You are required to complete the formalities prescribed by DDA and have to pay the requisite fee. While converting to free-hold, the DDA executes a conveyance deed and cancels the earlier lease-deed.

Write to lawyer Navin Kumar for any queries on real estate issues at legalqueries@mailtoday.in