Chapter VII - Gifts

Verify voluntariness, acceptance, registration, revocation, onerous obligations and personal-law savings.

Authors: CA Nikhil Gupta and Kajri Singh | Legal review cut-off: 2026-07-18 | Professional Corpus Batch 07

Dedicated Finin2min Summary - Chapter in 2 Minutes

- Section 122: Gift defined and acceptance - convert every statutory limb into evidence-backed transaction controls.
- Section 123: Gift how effected - convert every statutory limb into evidence-backed transaction controls.
- Section 124: Gift of existing and future property - convert every statutory limb into evidence-backed transaction controls.
- Section 125: Gift to several where one does not accept - convert every statutory limb into evidence-backed transaction controls.
- Verify voluntariness, acceptance, registration, revocation, onerous obligations and personal-law savings.
- Apply the current official Act and transaction-date State stamp, registration, land, tenancy, RERA and procedural law.

Current statutory text / controlled source map

Section 122 - Gift defined and acceptance.
Section 123 - Gift how effected.
Section 124 - Gift of existing and future property.
Section 125 - Gift to several where one does not accept.
Section 126 - Suspension or revocation of gift.
Section 127 - Onerous gifts.
Section 128 - Universal donee.
Section 129 - Saving of donations mortis causa and Muhammadan law.

Section-by-section provision map

Provision	Subject / status	Finin2min clause-by-clause decode and implementation
Section 122	Gift defined and acceptance *Operative subject to current official/State law*	Section 122 governs gift defined and acceptance. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.
Section 123	Gift how effected *Operative subject to current official/State law*	For immovable property, use a registered instrument signed by or on behalf of the donor and attested as required; acceptance must occur during the donor's lifetime. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.
Section 124	Gift of existing and future property *Operative subject to current official/State law*	Section 124 governs gift of existing and future property. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.
Section 125	Gift to several where one does not accept *Operative subject to current official/State law*	Section 125 governs gift to several where one does not accept. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.

Provision	Subject / status	Finin2min clause-by-clause decode and implementation
Section 126	Suspension or revocation of gift *Operative subject to current official/State law*	Section 126 governs suspension or revocation of gift. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.
Section 127	Onerous gifts *Operative subject to current official/State law*	Section 127 governs onerous gifts. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.
Section 128	Universal donee *Operative subject to current official/State law*	Section 128 governs universal donee. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.
Section 129	Saving of donations mortis causa and Muhammadan law *Operative subject to current official/State law*	Section 129 governs saving of donations mortis causa and muhammadan law. Identify actor, property/right, transfer event, statutory conditions, exceptions, notice and legal consequence within the gift validity and acceptance framework. **Implementation:** Record title and authority, transaction dates, consideration, possession, instrument form, stamp/registration status, notice, approvals and third-party claims. Obtain State-specific review before execution or enforcement. **Evidence:** Official source snapshot; title chain; encumbrance/litigation search; authority; executed instrument; valuation; payment and tax proof; possession/delivery record; notices; registration receipt.

Finin2min implementation explanation

Classify the property interest, parties, authority, consideration, possession and intended legal result. Complete title, encumbrance, litigation and State-law diligence. Select the correct instrument, stamp, registration and perfection route. Block payment or possession until closing conditions and evidence are complete.

Practical examples and calculations

Scenario: A donor signs a gift deed but possession and acceptance are disputed. The file must prove capacity, voluntariness, existing property, execution, attestation, registration and acceptance during lifetime.

Calculation/control	Method	Evidence
Stamp value	Apply State relationship-based gift duty and market-value rules.	Valuation and State stamp schedule
Tax basis	Record donor cost/history, recipient relationship and future capital-gain basis.	Tax records and deed
Onerous liability	Quantify attached debt, charge, tax and maintenance obligations.	Encumbrance and liability statements

Practical transaction application

1. Classify the transaction and every interest. 2. Complete title, authority, encumbrance, litigation, land-use and possession diligence. 3. Map the Act and State overlays to the instrument. 4. Reconcile consideration, taxes, possession and completion. 5. Preserve closing and enforcement evidence.

Authority, consent and execution controls

Confirm legal identity, capacity, title, board/partner/trustee/co-owner/lender consents, power-of-attorney scope, execution, attestation, witnessing and document custody.

Stamp duty and registration alerts

Apply current State instrument classification, market value, duty, surcharge, registration fee, adjudication and impounding rules. Registration does not cure defective title or prohibited transfer.

Evidence and document-retention checklist

Retain title chain, searches, authority, valuation, tax and KYC records, executed instrument, witness evidence, registration receipt, consideration, possession, originals handover and notices.

Performance, delivery and payment controls

Define conditions precedent, long-stop date, escrow/retention, possession condition, risk transfer, taxes, apportionments, originals handover and post-closing filings.

Breach, loss, mitigation and remedy framework

Separate invalidity, rescission, specific performance, injunction, possession, redemption, foreclosure/sale, damages, restitution and indemnity. Prove causation, market value and mitigation.

Limitation and forum controls

Select relief-specific limitation and forum: civil/Commercial Court, RERA, DRT/DRAT, NCLT, consumer, revenue or arbitration. Compute notice, cure, termination, appeal and enforcement clocks.

Arbitration and mediation interface

Assess arbitrability, rights in rem, statutory forums, third-party interests, interim protection, lis pendens, possession and limitation. Preserve source and evidence during settlement.

Company, partnership, GST and tax overlays

Apply entity authority, charges, RERA, GST, TDS, capital gains, valuation, FEMA, benami, PMLA/KYC, insolvency moratorium and secured-creditor priority.

Finin2min Q&A;

First classify the transaction and title. The common failure is execution or payment before State stamp/registration and third-party rights are verified. A contract does not always transfer title. Maintain a reproducible source, title, authority, closing and remedy file.

Chapter-specific decision flowchart

Classify transaction -> verify title/capacity -> select section and State overlay -> check form/stamp/registration -> close and preserve evidence -> manage breach, remedy and limitation.