

2026 LiveLaw (SC) 6

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

VIKRAM NATH; J., SANDEEP MEHTA; J.

SLP (CIVIL) NO.30936 OF 2025| JANUARY 05, 2026

SUBHASH AGGARWAL *versus* MAHENDER PAL CHHABRA & ANR.

Specific Relief Act, 1963 – Specific Performance – Readiness and Willingness – Equitable Relief – Refund and Restitution – Complete Justice - In a suit for specific performance concerning an Agreement to Sell from 2008, the Supreme Court upheld the High Court's finding that the appellant failed to prove readiness and willingness as he lacked the financial wherewithal to pay the balance consideration of Rs. 5.21 crores on the due date and failed to visit the Sub-Registrar's office - Noted that the respondents also failed to fulfill contractual obligations regarding property mutation and conversion - Holding that the grant of specific performance is not an equitable relief after a passage of seventeen years – Supreme Court emphasized that equity must prevent unjust enrichment and restore parties to their original positions when both are at fault - To adjust equities and bring quietus to a dispute protracted for over a decade, the Supreme Court modified the High Court's order (which had allowed forfeiture of Rs. 60 lakhs earnest money) and directed the respondents to pay a lumpsum amount of Rs. 3,00,00,000/- (Rupees Three Crores) to the appellant for full restitution – Appeal partly allowed. [Paras 5-8]

For Petitioner(s): Mr. Dhruv Mehta, Sr. Adv. Mr. Aneesh Mittal, AOR Ms. Deepriya Snehi, Adv. Ms. Yashika Kaushik, Adv. Ms. Nishi Sangtani, Adv. Ms. Komal Mittal, Adv.

For Respondent(s): Mr. Siddharth Batra, Adv. Mr. Chinmay Dubey, Adv. Ms. Archana Yadav, Adv. Ms. Preetika Shukla, Adv.

J U D G M E N T

VIKRAM NATH, J.

- 1.** Leave granted.
- 2.** The appellant is aggrieved by the final order passed by the Delhi High Court in RFA (OS) No. 12/2021 dated 03.09.2025 whereby the Court has set aside the decree of specific performance granted in favour of the appellant by the Single Judge. The appellant was the plaintiff before the Trial Court and respondents were defendants. For the sake of convenience, the parties shall be referred to in terms of their status before this Court.
- 3.** The facts giving rise to the present appeal are as follows:
 - i.** The appellant had instituted a suit for specific performance for execution of an Agreement to Sell dated 22.01.2008 for purchase of 300 square yards property bearing no. C-20, Ashok Vihar, Phase-1, Delhi, 110052. Out of the total sale consideration of Rs. 6.11 Crores, a sum of Rs. 60 lakhs was paid as earnest money on the date of agreement and Rs. 30 lakhs was further advanced as part payment on 24.03.2008. The receipt of Rs. 90 lakhs has been duly accepted by the respondents.
 - ii.** The Trial Court by an order dated 15.02.2021 in CS(OS)/1765/2008 decreed the suit for specific performance, holding that the appellant had demonstrated readiness and willingness whereas the respondents had defaulted on their obligations.

iii. Aggrieved, respondents preferred RFA(OS) 12/2021 before the High Court. By an order dated 12.04.2021, the High Court dismissed the appeal noting that the appellant had the wherewithal to make the balance payment.

iv. Against this order, the respondents approached this Court by way of SLP No. 12465/2021. This Court allowed the appeal and set aside the impugned order of the High Court. It was further provided that the matter be decided afresh by the High Court.

v. The High Court *vide* the impugned order dated 03.09.2025 set aside the decree of specific performance earlier granted by the Single Judge and dismissed the suit for relief of specific performance. It further held that respondents were entitled to forfeit the earnest money of Rs.60 lakhs. However, it directed for refund of the additional amount of Rs.30 lakhs paid after the agreement to sell along with interest of 9% per annum from 24.03.2008 till the date of payment. Aggrieved by the same, the plaintiff is in appeal before this Court.

4. We have heard the learned counsel for the parties.

5. We find merit in the finding of the High Court that the appellant failed to prove his readiness and willingness. He had not been able to demonstrate that he had the necessary financial wherewithal to make the balance payment of Rs. 5.21 crores on 10.05.2008, the due date. In addition to that, he did not even visit the office of the Sub-Registrar on the above date. At the same time, it must also be noted that the respondents too did not fulfil their contractual obligations, particularly with respect to obtaining mutation and securing conversion of the suit property from leasehold to freehold.

6. As held by this Court in multiple cases, there is no straitjacket formula with regard to 'readiness and willingness'. The same has to be construed with respect to the facts and circumstances of each case. In light of the facts of this case, and bearing in mind the passage of more than seventeen years since the execution of agreement, we agree with the view of the Division Bench that the grant of specific performance is not an equitable relief at this stage.

7. It is a settled principle that equity must operate in a manner that prevents unjust enrichment and restores the parties to their original position, as far as possible particularly where both the parties are at fault. We, therefore, are of the view that directing forfeiture of the earnest money would result in an equitable windfall to the respondents.

8. Therefore, to do complete justice and adjust the equities between the parties, we are of the considered view that appropriate course is to direct the respondents to pay a lumpsum amount of Rs. 3,00,00,000/- (Rupees Three Crores only) to the appellant, within four weeks from the date of this order. This would fully reconstitute the appellant while avoiding further complications relating to the contract and also bring quietus to a dispute that has been protracted for over a decade. The judgment of the High Court shall stand modified to the above extent.

9. In view of the above directions, the appeal stands partly allowed.

10. Pending application(s), if any, shall stand disposed of.