Muddam Raju Yadav v. B. Raja Shanker
Facts of the Case
Execution of Agreement
Date: June 4, 2002
Property: House in Ranga Reddy District
Total Consideration: Rs. 13,00,000
Financials
Advance Paid: Rs. 6,00,000
Balance: Rs. 7,00,000 within 11 months
Parallel MoU
Executed same day
Claimed as loan security
Legal Action
Legal notice issued April 25, 2003
Defense: Sham and nominal document
Defense: Unlicensed money lender
Legal Issues
Nature of Document: Sale vs Loan Security
Ready and Willing Performance
Suppression of Material Facts
Entitlement to Equitable Relief
Law Points
Specific Performance: Discretionary and Equitable
Doctrine of Clean Hands
Probative Value of Surrounding Circumstances
Admissibility of Evidence and Conduct
Court Decisions
Trial Court
Decreed in favor of plaintiff
Found sufficient funds
High Court
Reversed Trial Court decree
Identified agreement as sham
Noted lack of bona fides
Supreme Court
Dismissed appeal
Upheld High Court decision
Validated MoU as loan security
Confirmed suppression of evidence
Denied specific performance