

ITEM NO.34

COURT NO.6

SECTION II-E

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Miscellaneous Application No.74/2026 in SLP(Crl) No.2018/2024

M/S JDA PROJECTS & ANR.

Petitioner(s)

VERSUS

M/S JAMNADAS MORAJEE FINANCE PVT. LTD.

Respondent(s)

IA No. 338817/2025 - APPLICATION FOR REVIVAL

Date : 13-08-2026 This matter was called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA
HON'BLE MR. JUSTICE K. VINOD CHANDRAN

For Petitioner(s) :Mr. Sandeep Bajaj, Adv.
Mr. Vipul Jai, Adv.
Mr. Soayib Qureshi, AOR
Mr. Rohan Srivastava, Adv.
Ms. Vrinda Mishra, Adv.

For Respondent(s) :Mr. Brijesh Kalappa, Adv.
Ms. Divya Nair, Adv.
Ms. Kavya Eligeti, Adv.
Mr. Sorokhaibam Shanti Jyoti Singh, Adv.
Mr. Ankolekar Gurudatta, AOR

UPON hearing the counsel the Court made the following
O R D E R

In the Special Leave Petition, the petitioner is the non-applicant and the respondent is the applicant.

2. The subject matter is the debt due from the non-applicant to the applicant. Before the High Court, the issue was with respect to dishonor of a cheque issued by

the non-applicant. Suffice it to notice that the non-applicant has a history of flouting its own undertaking so blatantly that we cannot but say that their conduct so far is reprehensible. However, in resolution of the dispute, we have been attempting to effect the sale of properties owned by the non-applicant, so as to fully satisfy the debt due to the applicant, as agreed upon by both the parties in our order dated 26.03.2025.

3. The order relevant being of 24.03.2026, is extracted hereinafter:-

"1. The above Miscellaneous Applications have been filed by the petitioner and the respondent in the Special Leave Petition (Crl.) No.2018 of 2024 disposed of by order dated 26.03.2025. We shall refer to the parties from the status in the SLP. After a spate of settlements which did not fructify due to the default of the petitioner, the respondent, to enable the satisfaction of the debt due to it, agreed to yet another settlement before this Court resulting in the order dated 26.03.2025.

2. By the said order, this Court directed the subject property to be placed under the receivership of Principal District Judge, Mysuru, Karnataka (referred to herein after as the Receiver). The petitioner was given liberty to negotiate and arrange for sale of property as one whole or in parts within a period of nine months from the date of disposal of the case. Out of the total proceeds obtained, Rs.10,25,00,000/- along with simple interest at the rate of 11% per annum from 11.01.2023 was to be paid to the respondent. To facilitate such payment the proceeds of the sale were directed to be deposited before the Receiver who was directed to disburse the amounts to the respondent. The other directions are not relevant for disposal of the Miscellaneous Applications filed.

3. The application filed by the petitioner seeks discharge of the Receiver since it is stated that

there is a bottle neck in facilitating a sale since the Banks, obliged to follow Reserve Bank of India guidelines, on loans sanctioned for purchase of landed properties issue Demand Drafts (DD) only at the time of execution and registration of sale deeds, which DDs are then handed over to the seller. The Receiver insists for the DD drawn on the Principal District Judge to be handed over at the time when an endorsement is made as the Receiver of the property in the sale deed for execution and presentation for registration. This results in the Banks expressing reluctance to finance a purchase for reason of the prior issuance of DD being in violation of the RBI guidelines.

4. The respondent on the other hand by their Miscellaneous Application proposes that the balance properties, remaining after the sales already effected, shall be purchased by them at the highest price for which small parcels of the property were sold from the larger extent. However, the price shown in the present sale agreements, referred to in the I.A., are said to be in tune with the market value. It is the respondent's contention that the petitioner has not complied with the order passed and the debt substantially remains outstanding. The application to relieve the Receiver itself is a tactic to delay repayment and somehow get the property out of the custody of the Receiver. The respondent also offers a higher price, as this Court may deem fit.

5. We cannot fault the Principal District Judge in insisting for the payment before making an endorsement, especially since she is appointed as a Receiver of the properties on our orders. However, considering the difficulty pointed out by the petitioner and also reckoning the apprehension of the respondent that sale may be effected for a higher price which would not be reflected in the sale deed, jeopardizing their claim/charge on the property without ensuring the full satisfaction of their debt as per the orders of this Court, we make the following orders:

i) The petitioner shall be entitled to negotiate and facilitate the sale of the subject property or its parcels as directed in the order dated 26.03.2025 by presenting the agreement of sale, with the consideration shown therein before the Receiver with a copy to the respondent.

ii) If the consideration is not less than the market value, then a draft sale deed shall be presented, on the same consideration shown in the agreement along with a communication regulating sanction of loan from the bank financing the purchase of plot, based on which the Receiver shall make endorsement for carrying out the sale and registration, clearly indicating that the DD shall be issued in the name of the Receiver/Principal District Judge.

iii) On the endorsement made by the Principal District Judge in the draft sale deed the financing bank shall issue the DD as stipulated in the endorsement, based on which the sale deed shall be executed and registered.

iv) The DD shall be handed over to the Receiver who shall negotiate it as directed in our order.

v) It is the petitioner's obligation to facilitate the sale as per the sale agreement on the consideration specified therein and if not facilitated it shall be treated as a violation of the terms of the agreement, the consequences of which the petitioner will invite.

vi) If the consideration is less than the market value, at the discretion of the Receivers, the respondent will be entitled to exercise the first refusal, indicating that if the respondent desires he shall agree to purchase the property on the consideration shown therein and the same shall be set off against the amounts due to the respondent based on which the Receiver shall issue the endorsement on the sale deed to be executed in favour of the respondent, which shall be registered.

6. The above exercise shall be completed within a period of five months, failing which appropriate orders will be passed in M.A.No.74 of 2026 filed by the respondent. If the amounts due to the respondent as per our order is satisfied, then necessarily further directions in our order dated 26.03.2025 shall be given effect to.

7. M.A. Diary No.7339 of 2026 is disposed of and M.A. No.74 of 2026 is to be listed on 14.07.2026."

4. The matter was posted before us, specifically on the plea raised by the applicant that the properties sold in small parcels, are being sold for less than the market

value. We see that the objections were raised by the applicant before the Principal District Judge (*in short* 'PDJ'), Mysuru, Karnataka, who is appointed as the Receiver, but later they consented to the sale transaction.

5. As of now, it is submitted that the applicant has received Rs.1,92,70,000/- and about Rs.4,59,60,000/- is remaining with the PDJ, which is in the process of being disbursed.

6. Considering the prayer made by the applicant, we had stayed further sales on 14.07.2026, especially since none was appearing for the non-applicant.

7. Considering the contentions raised by the applicant, we are of the opinion that before further sale is conducted, we should get the details of the sales already carried out. We, hence, direct the PDJ, the Receiver appointed by us by order dated 26.03.2025, to furnish us a chart showing the division of the total properties, the parcels sold, the market price, the actual sale price obtained with the details also of the properties remaining to be sold, with their market value.

8. We direct that in those matters where the sale was proceeded with and the demand drafts are already in the possession of the PDJ, the PDJ shall take further proceedings to facilitate the sale of such properties,

the details of which shall also be included in the chart furnished to us.

9. Insofar as the further requests for sale, the same shall be kept in abeyance till a report is submitted to us.

10. We also require the PDJ to give us a Statement of Account of the amounts already disbursed to the applicant and that remaining with the PDJ.

11. The applicant shall also give a computation of the amounts due, the credits received and the interest applied, as indicated in our order dated 26.03.2025, so as to get a clear picture of what is the balance due. The Statement of Accounts shall indicate the balance due as on 30.09.2026 and 31.10.2026.

12. The Registry shall communicate a copy of this order to the PDJ, Mysuru, Karnataka. The applicant and the non-applicant shall also produce a copy of this order before the PDJ, Mysuru, Karnataka.

13. The matter shall be posted on 15.09.2026.

(HARPREET KAUR)
COURT MASTER (SH)

(POOJA SHARMA)
COURT MASTER (NSH)