



IN THE HIGH COURT OF KARNATAKA, AT DHARWAD

DATED THIS THE 13TH DAY OF JANUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE M.I.ARUN

AND

THE HON'BLE MR. JUSTICE B. MURALIDHARA PAI

WRIT APPEAL NO. 100362 OF 2024 (LB-RES)

BETWEEN:

THE COMMISSIONER,
BELGAUM URBAN DEVELOPMENT AUTHORITY,
ASHOK NAGAR, BELGAUM-590 001.

... APPELLANT

(BY SRI GURUDEV GACHCHINAMATH, ADVOCATE)

AND:

SHRI. VIRUPAXAYYA BALAYYA HIEMATH,
AGED ABOUT 80 YEARS,
OCC. RETIRED PERSON,
R/O. PLOT NO.3095,
NEAR KPTCL POWER CORPORATION,
RAMETEERTH NAGAR, KANABARGI P.O.,
BELGAUM-590 015.

... RESPONDENT

(VIDE ORDER DATED 24.04.2025, SRI N. P. VIVEKMEHTA,
ADVOCATE FOR SOLE RESPONDENT)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF
KARNATAKA HIGH COURT ACT, 1961, PRAYING TO SET ASIDE
THE IMPUGNED ORDER DATED 28-05-2024 MADE IN WRIT
PETITION NO.106859/2016 (LB-RES) PASSED BY THE LEARNED
SINGLE JUDGE AND FURTHER DISMISS THE WRIT PETITION IN
THE INTEREST OF JUSTICE AND EQUITY AND ETC.



THIS APPEAL IS COMING ON FOR FURTHER HEARING,
THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: THE HON'BLE MR. JUSTICE M.I.ARUN
AND
THE HON'BLE MR. JUSTICE B. MURALIDHARA PAI

ORAL JUDGMENT

(PER: THE HON'BLE MR. JUSTICE M.I.ARUN)

Aggrieved by the order passed in Writ Petition No.106859/2016, the respondent has preferred this writ appeal.

2. The appellant-Belgaum Urban Development Authority has acquired certain lands in Sy. Nos.606 and 609 of Kanabaragi village, Belagavi for the purpose of formation of a residential layout. The said lands have been clubbed with lands in several other survey numbers and a residential layout in the name and style of 'Ramateertha Nagar' has been formed and sites have been allotted in favour of various applicants. One such site was allotted in favour of the predecessor in title of the respondent herein for a consideration of ₹1,52,400/-, the said site is carved out of



Survey Nos.606 and 609. The predecessor in title of the respondent sold the site in favour of the respondent by a registered Sale Deed dated 08.05.2007. Thereafter, the appellant has demanded an additional consideration of ₹27,600/- from the respondent for allotting the site in favour of his predecessor in title. Aggrieved by the same, the respondent preferred Writ Petition No.106859/2016 (LB-RES).

3. The case of the respondent is that the appellant had entered into a contract with his predecessor in title, wherein his predecessor in title was obliged to pay the appellant an additional consideration towards the allotment of site provided there was an increase in the compensation to be paid to the landowners in Survey No.606 or Sy.No.609 of Kanabaragi Village, Belagavi the lands from which the present site has been carved out. It is his contention that if there is any increase in the compensation amount paid towards acquisition of any other land in the locality, the



respondent cannot be made to pay the additional consideration.

4. Reliance is placed by the respondent upon the contract entered into between the appellant and the predecessor in title of the respondent, which reads as under:

“ ಕರಾರ ಪತ್ರ

ಶ್ರೀ. ಮಂಜುಳಾ ನಾಗರಾಜ ದೇಸಾಯಿ, ವಯ: 24 ವರ್ಷ,
ಉದ್ಯೋಗ: ಮನೆಕೆಲಸ, ಸಾಕೀನ: ರೂಮ ನಂಬರ: 8, ಸಿನಿಯರ್ ಬ್ಲಾಕ್,
ದರ್ಗಾ ಹತ್ತಿರ, P.H.Q., ಬೆಳಗಾವಿ, (ಪಾರ್ಟಿ ನಂಬರ: I).

ಹಾಗೂ

ಆಯುಕ್ತರು, ಬೆಳಗಾವಿ ನಗರಾಭಿವೃದ್ಧಿ ಪ್ರಾಧಿಕಾರ, ಬೆಳಗಾವಿ, (ಪಾರ್ಟಿ
ನಂಬರ: II).

ಪಾರ್ಟಿ ನಂಬರ: I ಮತ್ತು ಪಾರ್ಟಿ ನಂಬರ: II ಇವರು
ಉಭಯತರು ತಮ್ಮಲ್ಲಿ ಮಾಡಿಕೊಂಡ ಕರಾರ ಪತ್ರವೇನೆಂದರೆ :-

ಪಾರ್ಟಿ ನಂಬರ: II ಇವರು ಪಾರ್ಟಿ ನಂಬರ: I ಇವರಿಗೆ ಬೆಳಗಾವಿ
ನಗರಾಭಿವೃದ್ಧಿ ಪ್ರಾಧಿಕಾರದ ಯೋಜನೆ ಸಂಖ್ಯೆ: 35+43+43A, ಕಣಬರ್ಗಿ
ಗ್ರಾಮದ ರಿ. ಸ. ನಂಬರ: 606 ಮತ್ತು 609 ರಲ್ಲಿನ ನಿವೇಶನ ಸಂಖ್ಯೆ: 3095,
ಇದರ ಅಳತೆ: 2400 ಚದುರ ಅಡಿಯ ನಿವೇಶನ ಹಂಚಿಕೆಮಾಡಿರುತ್ತಾರೆ.

ಈಗ ಪಾರ್ಟಿ ನಂಬರ: I ಇವರು ಸದ್ರಿ ನಿವೇಶನದ ಕ್ರಯ ಪತ್ರವನ್ನು
ಮಾಡಿಕೊಡುವ ಕುರಿತು ವಿನಂತಿಸಿ, ಪಾರ್ಟಿ ನಂಬರ: II ಇವರಿಗೆ ಅಂದರೆ



ಬೆಳಗಾವಿ ನಗರಾಭಿವೃದ್ಧಿ ಪ್ರಾಧಿಕಾರಕ್ಕೆ ಅರ್ಜಿ ಸಲ್ಲಿಸಿರುತ್ತಾರೆ. ಮೇಲೆ ವಿವರಿಸಿದ ನಿವೇಶನವು ಒಳಗೊಂಡ ಜಮೀನುಗಳಿಗೆ ಸಂಬಂಧಪಟ್ಟಂತೆ ಜಮೀನುಗಳ ಮೂಲ ಭೂ ಮಾಲೀಕರು ಹೆಚ್ಚಿನ ಪರಿಹಾರಧನವನ್ನು ಕೋರಿ, ನ್ಯಾಯಾಲಯಗಳಲ್ಲಿ ಅರ್ಜಿಗಳನ್ನು ಸಲ್ಲಿಸಿದ್ದು, ಅವುಗಳು ಇನ್ನೂ ನ್ಯಾಯಾಲಯದಲ್ಲಿ ಬಾಕಿ ಇರುವುದಾಗಿ ಬೆಳಗಾವಿ ನಗರಾಭಿವೃದ್ಧಿ ಪ್ರಾಧಿಕಾರದ ಕಚೇರಿಯಿಂದ ತಿಳಿದು ಬಂದಿರುತ್ತದೆ.

ಆದಕಾರಣ, ಸದ್ರಿ ನಿವೇಶನವು ಒಳಗೊಂಡ ಜಮೀನುಗಳಿಗೆ ನ್ಯಾಯಾಲಯದಲ್ಲಿ ಒಂದು ವೇಳೆ ಭೂಸ್ವಾಧೀನತೆಯ ಬೆಲೆಯು (ಪರಿಹಾರ ಧನ ಹೆಚ್ಚಳವಾದರೆ, ಪಾರ್ಟಿ ನಂಬರ: I ಇವರು ಸದ್ರಿ ನಿವೇಶನದ ಅನುಪಾತದ ಮೇಲೆ ಹೆಚ್ಚಳವಾದ ಹಣವನ್ನು ತಮ್ಮ ನಿವೇಶನದ ಹೆಚ್ಚುವರಿ ಬೆಲೆ ತುಂಬುತ್ತೇನೆಂದು ಒಪ್ಪಿಕೊಂಡು ಹೆಚ್ಚುವರಿಯಾದ ಮೊತ್ತಕ್ಕೆ ಮುದ್ರಾಂಕ ಶುಲ್ಕ ಮತ್ತು ನೋಂದಣಿ ಶುಲ್ಕ ಭರಿಸಿ ಬೇರೆ ಪುರವಣಿ ಪತ್ರವನ್ನು ನೋದಾಯಿಸಿಕೊಡಲು ಒಪ್ಪಿ ಪಾರ್ಟಿ ನಂಬರ: I ಇವರು ಇವತ್ತು ಈ ಕರಾರ ಪತ್ರವನ್ನು ಪಾರ್ಟಿ ನಂಬರ II ಇವರಿಗೆ ಬರೆದುಕೊಟ್ಟಿರುತ್ತಾರೆ. ಸದ್ರಿ ಕರಾರ ಪತ್ರಕ್ಕೆ (ಸದ್ರಿ ವ್ಯವಹಾರಕ್ಕೆ) ಪಾರ್ಟಿ ನಂಬರ: I ಇವರ ಪೂರ್ಣ ಒಪ್ಪಿಗೆ ಇದ್ದು ಅದು ಅವರ ವಾರಸುದಾರರಿಗೂ, ಹಾಗೂ ನಿರ್ವಾಹಕರಿಗೂ, ಆಡಳಿತಗಾರರಿಗೂ ಮತ್ತು ಹಸ್ತಾಂತರಣಕಾರರಿಗೂ ಬಂಧನಕಾರಕವಾಗಿರುತ್ತದೆ; ಅಂತಾ ಪಾರ್ಟಿ ನಂಬರ: I ಇವರು ತಮ್ಮ ಆತ್ಮ ಸಂತೋಷದಿಂದ ವ ಅಕ್ಕಲ ಹುಷಾರಿಯಿಂದ ಪಾರ್ಟಿ ನಂಬರ: II ಇವರಿಗೆ ಬರಕೊಟ್ಟ ಕರಾರ ಪತ್ರ ಸಹಿ ತಾರೀಖು:24/3/2005 ನೇ ಇಸ್ತಿ”

5. The reading of the impugned order also shows that there was want of proper assistance by the appellant before



the learned Single Judge, which only shows the callous approach of the Government Authorities in defending its interest in the Courts. Be that as it may, the learned Single Judge based upon the contract as mentioned above, on the ground that respondent herein would be entitled to pay additional consideration only in case there is increase in the cost of acquisition in respect of the land on which his site is situated and that no such increase has happened in respect of the said land, has allowed the writ petition and has passed the following order:

- "a) Writ Petition is allowed.*
- b) The impugned endorsement dated 30.11.2012 at Annexure-E issued by the respondent is hereby quashed.*
- c) The respondent is directed to issue appropriate NOC to enable the petitioner to secure building permission from the competent authority within a period of four weeks from the date of receipt of certified copy of this order."*

6. Aggrieved by the same, the present writ appeal is filed.



7. The case of the appellant is that Rule 18 of the Karnataka Urban Development Authorities (Allotment of Sites) Rules, 1991 (for short, 'the Rules') permits the appellant to enhance the consideration amount and the respondent is liable to pay the same. It is his contention that the contract entered into between the appellant and the predecessor in title of the respondent has to be interpreted as per the said provision irrespective of the wordings in the contract. On the said ground, it is prayed that the writ appeal be allowed and the writ petition be dismissed.

8. *Per Contra*, the respondent justifies the order passed by the learned Single Judge and prays for dismissal of the writ appeal.

9. Appellant is an Urban Development Authority, constituted under the provisions of the Karnataka Urban Development Authorities Act, 1987. One of its objectives is to acquire lands, form a residential layout, and distribute



the sites in favour of eligible applicants. For this purpose, several lands are acquired. While acquiring the said lands, appellant is required to compensate the land losers in accordance with law. The land losers have the liberty to approach the competent Court for the enhancement of compensation in case they are not satisfied with the award passed by the appellant-Urban Development Authority. This may take several years. The appellant authority is not expected to sit over the land without doing anything till such dispute is resolved. It is required to act immediately and form the necessary layout and allot the sites to the eligible allottees. One of the important factors for determining the price of the site allotted is the compensation that is paid to the land losers. For the said reason, Rule 18 of the Rules is enacted, wherein the right of the appellant authority is reserved to enhance the allotment rate taking into consideration the enhanced price payable to the land owners. Rule 18 of the Rules reads as under :



"18. Value of the Site.- The value of the site mentioned while inviting the applications may be changed by the Authority by showing the reason thereof and the allottee shall either accept the site at the changed rate or refuse the allotment.

Provided that, the persons belonging to Scheduled caste, Scheduled tribe and economically weaker sections whose annual income is within the income limit prescribed by the Government by the Notification shall be entitled to get a site not exceeding 20 X 30 sq. mt. at the rate of 25 percent of the value of the site as fixed by the Authority."

10. Further, when a layout is being formed, sites are not formed on all the lands acquired for formation of the layout. Substantial area is left out for roads, drainage, park and other civic amenities that are required to be provided in the layout. Under the said circumstances, certain lands acquired may be utilized exclusively for such purpose and no sites might be formed on the said lands. If there is any increase in compensation for acquiring the said lands over which no sites are formed, then in that event, the applicant



is required to recover the said enhanced compensation by increasing the consideration for the sites formed in the said layout, which are not specifically on the land, which is not utilized for formation of sites. Rule 18 of the Rules is required to be interpreted in this context. Unfortunately, the appellant has not incorporated the required terms in the contract entered into between the appellant and the predecessor in title of the respondent. A bare reading of the contract gives an impression that the predecessor in title of the respondent would be liable to pay the enhanced consideration amount, only if there is an increase in the compensation in respect of the lands in Survey Nos.606 and 609 of Kanabaragi Village, Belagavi. Nevertheless, in case of any conflict between the provision of law and the contract entered into between the parties, the provision of law will prevail. The allotment of sites made in favour of the predecessor in title of the respondent herein, is subject to the terms and conditions of the Karnataka Urban Development Authorities (Allotment of Sites) Rules, 1991.



The respondent, who has succeeded to the interest of his predecessor in title in respect of the property, he is liable to pay the enhanced compensation based on Rule 18 of the said Rules irrespective of the terms and conditions of the contract entered into between the appellant and his predecessor in title.

11. The learned Single Judge has failed to consider Rule 18 of the Rules, while deciding Writ Petition No.106859/2016, which in our opinion is erroneous.

12. Admittedly, in the instant case, there has been enhancement of compensation in respect of a portion of a land which has been utilized for formation of 'Ramateertha Nagara' layout in Belagavi, in which the site of the respondent is found.

13. Under the said circumstances, in our opinion, the order of the learned Single Judge is liable to be set aside and the writ petition is liable to be dismissed. Hence, the following:



ORDER

- (i) Writ appeal is allowed.
- (ii) The order passed in Writ Petition No. 106859/2016 dated 28.05.2024 by the learned Single Judge is hereby set aside.
- (iii) Writ Petition No.106859/2016 is hereby dismissed.
- (iv) Respondent is liable to pay the amount as demanded by the appellant.

**Sd/-
(M.I.ARUN)
JUDGE**

**Sd/-
(B. MURALIDHARA PAI)
JUDGE**