

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 22ND DAY OF JULY, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MR. JUSTICE VENKATESH NAIK T

WRIT APPEAL NO. 94 OF 2023 (GM-KIADB)

BETWEEN:

DHRUTHI INFRA PROJECTS LTD.
No.120, 'B' EPIP ZONE
WHITEFIELD
BENGALURU-560 066
REP. BY ITS AUTHORISED SIGNATORY

...APPELLANT

(BY SRI. K.N. PHANINDRA, SENIOR COUNSEL FOR
SRI. B. RAMESH, ADVOCATE)

AND:

- 1 . STATE SINGLE WINDOW CLEARANCE
COMMITTEE
REP. BY ITS NODAL AGENCY KARNATAKA
UDYOG MITRA
DEPARTMENT OF INDUSTRIES AND COMMERCE
VIKASA SOUDHA
BENGALURU-560 001
REP. BY ITS PRINCIPAL SECRETARY
- 2 . KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
4TH AND 5TH EAST WING
5TH FLOOR, KHANIJA BHAVAN
RACE COURSE ROAD
BENGALURU-560 001
REP. BY ITS CEO AND EM

Digitally
signed by
PAVITHRA
N
Location:
High Court
of Karnataka

3 . M/S. PRANITH HOLDINGS
No.7/30, 2ND MAIN ROAD
DOMLUR LAYOUT
BENGALURU-560 071
REP. BY ITS PARTNER
AKSHATHA RAJU

...RESPONDENTS

(BY SRI. VIKAS ROJIPURA, AGA FOR R1;
SRI. B.B. PATIL, ADVOCATE FOR R2;
SRI. BASAVA PRABHU PATIL, SENIOR COUNSEL FOR
SRI. AJAY KUMAR M., ADVOCATE FOR R3)

THIS WRIT APPEAL IS FILED U/S 4 OF THE KARNATAKA
HIGH COURT ACT, PRAYING TO (a) CALL FOR THE ENTIRE
RECORDS, (b) SET ASIDE THE ORDER DATED 12.12.2022
PASSED IN WP No.23769/2022 BY THE LEARNED SINGLE JUDGE
AND ALLOW THE WRIT PETITION FILED BY APPELLANT AS
PRAYED FOR.

THIS WRIT APPEAL HAVING BEEN HEARD AND RESERVED
FOR JUDGMENT ON 07.07.2026 AND COMING ON FOR
PRONOUNCEMENT OF JUDGMENT THIS DAY, **ANU SIVARAMAN
J.**, PRONOUNCED THE FOLLOWING:

CORAM: HON'BLE MRS. JUSTICE ANU SIVARAMAN
and
HON'BLE MR. JUSTICE VENKATESH NAIK T

CAV JUDGMENT**(PER: HON'BLE MRS. JUSTICE ANU SIVARAMAN)**

This appeal is filed challenging the Order dated 12.12.2022 passed by the learned Single Judge in Writ Petition No.23769/2022 (GM-KIADB).

2. We have heard Shri. K.N. Phanindra, learned senior counsel as instructed by Shri. B. Ramesh, learned counsel appearing for the appellant, Shri. Vikas Rojipura, learned Additional Government Advocate, appearing for respondent No.1, Shri. B.B. Patil, learned counsel appearing for respondent No.2 and Shri. Basava Prabhu Patil, learned senior counsel as instructed by Shri. Ajay Kumar M, learned counsel appearing for respondent No.3.

3. The writ petitioner - Company had made an application before the State Level Single Window Clearance Committee ('SLSWCC' for short) for allotment of a plot of land by the Karnataka Industrial Areas Development Board ('KIADB' for short) on 20.01.2017. The Committee granted approval for the establishment of a Software Development Centre with supporting infrastructure on condition that an

application for allotment is to be made before the KIADB. An application was made and a sum of Rs.6,00,50,000/- was deposited by the Company on 27.04.2017. Thereafter, on 25.05.2017, a further sum of Rs.1,50,00,000/- was also deposited. An allotment letter was issued on 06.06.2017. However, the further payments were not made by the writ petitioner and the KIADB cancelled the allotment on 30.04.2022. After cancellation of the allotment, the Committee approved the project of respondent No.3 by proceedings dated 26.07.2022 and allotment was made.

4. The writ petition was filed praying for issuance of Confirmation Letter and Possession Letter without insisting on payment of any additional amount in terms of the Allotment Letter - Annexure 'D' as well as seeking a writ of certiorari to set aside the Termination Letter and the allotment made in favour of respondent No.3. There was a further prayer made directing the respondents to allot another land in the same industrial area under the same conditions and for the same price as mentioned in Annexure 'D' - Allotment Letter.

5. The learned Single Judge considered the contentions advanced and found that the allotment was made under a specific condition that the balance sum of Rs.17,50,00,000/- would be paid within 90 days from the date of issuance of the allotment letter, that is, on or before 05.09.2017. It was found that though there were repeated communications between the writ petitioner and the KIADB, the writ petitioner had admittedly not made the payment of Rs.17,50,00,000/- to the KIADB in terms of the allotment letter. The cancellation of the allotment as well as the allotment made in favour of respondent No.3 was therefore upheld.

6. The learned senior counsel appearing for the appellant submits that the appellant had informed the KIADB specifically that the facilities and amenities had not been provided and that the amounts are liable to be paid only once the vacant possession of the land is ready to be handed over. It is submitted that there were challenges to the acquisition by the land losers and the property was not available to be handed over to the appellant in terms of the

allotment. It is therefore contended that it was only a technical stand taken by the KIADB that the amounts had not been deposited in time since, even if the amounts had been deposited, the land could not have been handed over and since the challenge to the acquisition was pending before this Court.

7. It is further contended that the allotment was cancelled without any specific prior notice with regard to the same and that the re-allotment was conducted with indecent haste and the allotment has been cancelled with the *mala fide* intention of allotting the land to respondent No.3. Further, it is contended that the learned Single Judge erred in failing to appreciate that the allotment of the land to respondent No.3 was contrary to the Karnataka Industrial Policy and the opinions of the SLSWCC. It is further contended that the demand drafts for the balance amounts had been kept ready by the appellant and the payment was not made only because the land was not available to be handed over.

8. The learned senior counsel appearing for the appellant has relied on the following decisions:-

- ***Smt. Rathnamma and Others v. State of Karnataka and Others*** by Order ***dated 13.03.2024*** passed in ***Writ Petition No.36803/2015 (LA-KIADB) a/w connected matters***, and
- ***M/s. Imperial Constrafin Pvt. Ltd. v. Chief Executive Officer and Executive Member Karnataka Industrial Areas Development Board and Others*** by Judgment ***dated 19.08.2021*** passed in ***Writ Appeal No.533/2021 (GM-KIADB)***.

9. The learned counsel appearing for respondent No.2 - KIADB, on the other hand, contends that the Allotment Letter itself was explicit that the balance amount of Rs.17,50,00,000/- was to be paid within a period of 90 days failing which the allotment would stand cancelled. It is submitted that apart from producing copies of letters and communications, repeatedly extending the time for payment, no proof of any payment or evidence of any valid reason for the delay has been produced by the appellant. It is also not in dispute that out of the amount of Rs.17,50,00,000/- which was due for payment within 90

days of the allotment on 06.06.2017, only a sum of Rs.50,00,000/- was paid by the appellant. The learned counsel also refers to the repeated reminder letters and time extensions granted to the appellant for payment of the allotment cost as produced with the statement of objections, as Annexures 'R2' to 'R7'.

10. The learned counsel appearing for respondent No.2 has relied on the following decisions:-

- ***IDBI Bank Limited v. Karnataka Industrial Areas Development Board***, by Judgment ***dated 28.04.2026*** passed in ***Writ Appeal No.499/2024 (GM-KIADB)***;
- ***M/s. Imperial Constrafin Pvt. Ltd. v. Chief Executive Officer and Executive Member Karnataka Industrial Areas Development Board and Others*** by Judgment ***dated 19.08.2021*** passed in ***Writ Appeal No.533/2021 (GM-KIADB)***, and
- ***Chairman and MD, BPL Limited v. S.P Gururaja and Others*** reported in ***(2003) 8 SCC 567***.

11. The learned senior counsel appearing for respondent No.3 has also placed objections on record stating

that respondent No.3 was also allotted the land following the very same procedure followed for allotment of land in favour of the appellant. It is submitted that the Order of Cancellation of Allotment was made and communicated on 30.04.2022 and the cancellation was also duly communicated to the appellant by e-mail - Annexures 'R9' and 'R10' on 26.07.2022 and 05.08.2022. It is submitted that on 29.07.2022, the SLSWCC had approved the project of respondent No.3 and the Government Order approving the project was issued by the Government on 19.08.2022. Thereafter, Allotment Letter was issued on 22.08.2022. Pursuant to which, the entire consideration at the rate of Rs.2,80,00,000/- per acre with 15% extra corner plot charges have been paid by respondent No.3 and possession was handed over to respondent No.3 on 26.08.2022. It is contended that the writ petition was filed only on 24.11.2022, that is, 7 months after the Cancellation Order and 4 months after completion of all procedure relating to allotment in favour of respondent No.3.

12. We have considered the contentions advanced. We notice that the learned Single Judge has considered the contentions of the parties and has found that the allotment letter dated 06.06.2017 was clearly subject to the specific condition that the balance amount of Rs.17,50,00,000/- would be paid within 90 days. We also notice that the learned Single Judge has considered the Orders dated 03.01.2018, 05.02.2018, 24.04.2018, 30.06.2018, 01.07.2019 and 05.02.2020, which were produced as Annexures 'R2' to 'R7' to come to the conclusion that ample time had been granted to the appellant to make the payment of the balance amount. Though the appellant contends that the land was not available for allotment and there was challenge against the acquisition, no material was produced either before the learned Single Judge or before this Court in support of the contention that there was any impediment for the allotment or handing over of the possession.

13. Regulation 10 of the Karnataka Industrial Areas Development Board Regulations, 1969, ('Regulations, 1969')

for short) framed in exercise of the powers conferred under Section 41(2)(b) of the Karnataka Industrial Areas Development Act, 1966 reads as follows:-

"10. Allotment.- (a) *The Board, on being satisfied that the person, firm or a company who has made an application is likely to start production within a reasonable period, and is not one which is declared obnoxious under Regulation 14 may make an allotment in his/their favour;*

(b) *The Board may constitute sub-committees for considering allotment of plots and also delegate its power to the Executive Member, if necessary;*

(c) *The Executive Member shall notify such applicant to whom an allotment is made to execute the agreement in Form 3 or 4 or 5 as the case may be with such modification as may be necessary in each case on such date, time and place as may be fixed by the Executive Member and to pay the consideration for the occupancy of the land as fixed by the Board within the time fixed by the Board;*

(d) *Failure to execute the agreement or to pay the sums demanded by the Executive Member as per the notice given under Regulation 10(c) will render the allottee to have deemed to have declined the allotment;*

(e) *The Board or with the authority of the Board, the Executive Member will have the discretion to grant extension of time for complying with the terms of the notice issued under Regulation 10(c) with or without*

payment of interest at nine per cent on the sums payable in terms of the said notice for the extended period."

Regulation 10(d) of the Regulations, 1969 specifies that a failure to pay the amounts and execute the agreement will render the allottee to have deemed to have declined the allotment. Regulation 15 of the Regulations, 1969 also provides that till the agreement is executed, the allottees are to be considered as a mere licensee. Regulation 15 of the Regulations, 1969 reads as follows:-

"15. Allottee as a Licensee.- *Till the agreement for lease, sale or lease-cum-sale is executed, the allottee will be considered as a mere licensee who shall have licence and authority only to enter upon the land allotted to him and to start construction of buildings or works and will have no power to legally alienate his interest except to the extent allowed by the Board for raising loans. No subdivision of the plot will be allowed without the permission of the Board given in writing."*

14. In the instant case, it is not in dispute that the balance amount which was repeatedly demanded by the KIADB had not been paid by the appellant. No lease agreement had been executed between the parties. Though extensions have been granted, the period of extensions has also expired and the payments had still not been made. In

the circumstances, the findings of the Co-ordinate Bench of this Court in the case of ***IDBI Bank Limited v. Karnataka Industrial Areas Development Board*** by Judgment ***dated 28.04.2026*** passed in ***Writ Appeal No.499/2024 (GM-KIADB)*** are directly applicable to the facts of this case.

15. In the above circumstances, we are of the opinion that the contention raised by the appellant that the allotment was cancelled without proper notice cannot be accepted. We are of the opinion that the findings recorded by the learned Single Judge are just and proper. Therefore, the appeal fails and the same is accordingly ***dismissed***.

All pending interlocutory applications shall stand *disposed of*.

**Sd/-
(ANU SIVARAMAN)
JUDGE**

**Sd/-
(VENKATESH NAIK T)
JUDGE**

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