



CNR: KAHC010106572018

NC: 2026:KHC:36299
WP No. 33786 of 2018

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 15TH DAY OF JULY, 2026

BEFORE

THE HON'BLE MR. JUSTICE M.G.S. KAMAL

WRIT PETITION NO. 33786 OF 2018 (GM-KIADB)

BETWEEN:

M/s. NAMRATA INDUSTRIES
NO.1221, 23RD CROSS
23RD MAIN, BANASHANKARI 2ND STAGE
BANGALORE-560 070
REPRESENTED BY ITS PARTNER
SMT.NAMRATA GUPTA

...PETITIONER

(BY SRI. AKARSH KUMAR GOWDA, ADVOCATE FOR
SRI. NARENDRA D.V GOWDA, ADVOCATE)

AND:

1. KARNATAKA INDUSTRIAL AREA
DEVELOPMENT BOARD
NO.14, 3A, 2ND FLOOR, SFC BUILDING
MAHARSHI ARAVIND BHAVAN
OPP. TO RBI NRUPATHUNGA ROAD
BANGALORE-560 001
REPRESENTED BY ITS
MANAGING DIRECTOR
2. THE CHIEF EXECUTIVE OFFICER AND
EXECUTIVE MEMBER
NO.49, 4 & 5TH FLOOR
"EAST WING", KHANIJA BHAVAN
RACE COURSE ROAD

Digitally signed
by SUMA B N
Location: HIGH
COURT OF
KARNATAKA



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BANGALORE-560 001

...RESPONDENTS

(BY SRI. K.B. MONESH KUMAR, ADVOCATE)

THIS WRIT PETITION FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASH THE ORDER DTD 25.06.2018 ISSUED BY THE R-2 VIDE ANNEXURE-E AND QUASH THE LETTER DTD 16.07.2018 ISSUED BY THE R-2 VIDE ANNEXURE-G.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING IN 'B' GROUP, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE M.G.S. KAMAL

ORAL ORDER

1. Petitioner was allotted an industrial plot No.IP-31(Part-2), Gauribidanur industrial area. A lease-cum-sale agreement dated 04.06.2014 was also executed. In terms of Clause 5.2(iii) petitioner was required to complete the civil construction within 24 months from the date of taking possession of the plot. Should there be any delay, in terms of clause 10(1) respondent-KIADB, the lessor, was at discretion to extend the time for completion of civil construction for further period as provided under clause 10(1)(a) to 10(1)(e). Clause



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10.1(e) also empowers the respondent-KIADB, the lessor to levy penalty of 10% of the cost of the land.

2. It appears non compliance of the terms of the lease resulted in respondent-KIADB initiating the proceedings under Section 34B(1) of the KIAD Act, 1966 and having found petitioner being guilty of violation of the terms in completing the construction, by order dated 25.06.2018 respondent-KIADB called upon the petitioner to pay the penalty of Rs.4,20,000/-. While extending the period for one year, the said order further provided that said payment of Rs.4,20,000/- shall be within 30 days only then the extension of period would be provided. Being aggrieved the present petition.

3. Learned counsel for petitioner reading through the records submits that clause 10(1)(a) of the agreement provides for extension of period without imposition of penalty if in the event of petitioner had completed construction upto 25%. He submits petitioner has



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indeed completed more than 50% of the construction. Therefore, the question of imposition of penalty would not arise. Hence, he seeks for setting aside the order directing the petitioner to pay penalty.

4. In response learned counsel for respondent-KIADB submits that proceedings were initiated in terms of Section 34B of the KIAD Act, 1966, opportunity was provided to the petitioner and on consideration of the material it was found that the petitioner had not even complied with condition as contemplated in clause 10(1)(a). It is under these circumstances, invoking clause 10(1)(e), 10% penalty was sought to be imposed and time of one year was extended subject to payment of said amount. He submits no error can be found with the order passed by the respondent authority. He further submits petitioner is still entitled to retain subject to payment of the amount in terms of the agreement and subject to he fulfilling the other terms of the lease agreement.



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5. At this juncture, learned counsel of the petitioner submits that if an opportunity is provided to the petitioner to make a representation before respondent authorities with a direction to consider the same in terms of the lease agreement also considering the fact that petitioner has completed the civil construction and is in possession, the purpose of petition will be served.
6. Since no irregularity and illegality is pointed out in the proceedings conducted by the respondent authorities under Section 34B of the KIAD Act and the petitioner having been provided an opportunity, this Court do not find any reason to interfere with the order and conclusion arrived by the respondent authorities.
7. Penalty is demanded vide impugned order on consideration of the factual aspect of the matter, namely non-compliance of clause No.10(1)(a), which is a factual aspect of the matter. As such, under Article 226 of the



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Constitution of India, this Court do not find it appropriate to show any indulgence.

8. However, since the petitioner counsel has sought for an opportunity to make a representation, reserving liberty to the petitioner to avail the remedy otherwise available including making representation to respondent No.2, petition is ***disposed of***. If such a representation is made respondent No.2 shall pass appropriate order in accordance with law.

**Sd/-
(M.G.S. KAMAL)
JUDGE**

SBN
List No.: 1 SI No.: 23