

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 17TH DAY OF MARCH, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MR. JUSTICE C.M. POONACHA

WRIT APPEAL NO. 1133 OF 2025 (GM-KIADB)

BETWEEN:

HADEE FORGING PRIVATE LIMITED
A COMPANY INCORPORATED
UNDER THE COMPANIES ACT, 1956
AND HAVING ITS REGISTERED
OFFICE AT BALAJI COMPLEX
NEXT TO SILK BOARD,
HOSUR MAIN ROAD,
ROOPENA AGRAHARA,
BENGALURU 560 076,
REPRESENTED BY ITS
MANAGING DIRECTOR,
SRI. HARISH M.K

...APPELLANT

(BY SRI. SATISH K V, ADVOCATE)

AND:

1. KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD,
4TH FLOOR, KHANIJA BHAVAN,
RACE COURSE ROAD,
BENGALURU-560001.
2. THE CHIEF SECRETARY,
GOVERNMENT OF KARNATAKA,
VIDHANA SOUDHA,
BENGALURU-560 001

Digitally
signed by
NIRMALA
DEVI

Location:
HIGH
COURT OF
KARNATAKA

3. THE PRINCIPAL SECRETARY,
INDUSTRIES AND
COMMERCE DEPARTMENT.,
VIKASA SOUDHA,
BENGALURU-560001
4. THE COMMISSIONER,
FOR INDUSTRIAL DEVELOPMENT
AND DIRECTOR
FOR INDUSTRIES AND
COMMERCE DEPARTMENT,
KHANIJA BHAVAN,
RACE COURSE ROAD,
BENGALURU-560001

...RESPONDENTS

(BY SRI. K. SHASHI KIRAN SHETTY, ADVOCATE GENERAL/
SENIOR ADVOCATE FOR
SRI. H L PRADEEP KUMAR, ADVOCATE FOR R1)

THIS WRIT APPEAL IS FILED U/S 4 OF THE KARNATAKA
HIGH COURT ACT PRAYING TO EXERCISE ITS CIVIL
APPELLATE JURISDICTION AND SET ASIDE THE ORDER
DATED 27/05/2025 PASSED BY THE LEARNED SINGLE JUDGE
IN WP NO.14837/2022 AND CONSEQUENTLY ALLOW THE SAID
WRIT PETITION IN WP NO.14837/2022 AND ETC.

THIS APPEAL HAVING BEEN HEARD AND RESERVED
FOR JUDGMENT, COMING ON FOR PRONOUNCEMENT THIS
DAY, JUDGMENT WAS PRONOUNCED AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MR. JUSTICE C.M. POONACHA

CAV JUDGMENT

(PER: HON'BLE MR. JUSTICE C.M. POONACHA)

1. The present *intra* Court appeal is filed by the writ petitioner calling in question the order dated 27.05.2025 passed in Writ Petition No.14837/2022 (GM-KIADB) [**impugned order**] whereunder, the writ petition filed by the appellant was dismissed by the learned Single Judge. The said petition was filed impugning an order/communication dated 18.03.2022 rejecting the representation made by the petitioner.

2. The relevant facts in a nutshell are that consequent to an application made by the appellant to the Karnataka Industrial Areas Development Board [**KIADB**] it was issued with an allotment letter dated 30.03.2016 allotting 2 acres of land in plot Nos.47 and 48 of Jakkasandra Industrial Area, Kolar, [**subject land**] for setting up of "cold forged and machined components for automobile and aerospace industries" subject to the terms and conditions mentioned in Annexure-A to the said letter. The said allotment was a lease for a period of 99 years. The lease was liable to be cancelled, in case, the subject land was not utilized within a period of three years. The premium payable for allotment of the subject land was fixed at ₹138 lakhs per acre. 30% of the tentative

premium of the land was to be paid on or before 29.04.2016 and the balance tentative premium of ₹1,93,20,000.00 was to be paid on or before 29.06.2016. The confirmatory letter of agreement dated 16.04.2016 was issued by KIADB upon payment of ₹2,76,00,000/- by the appellant being the entire premium cost of the subject land.

3. The appellant had set up the industry and started its commercial production on 08.11.2016 and complied with all the conditions imposed by KIADB. Subsequently, Lease Deed dated 03.05.2016 was executed granting lease of the subject property for a period of 99 years, which was registered on 11.05.2016. Pursuant to the Government order dated 11.07.2017, the grant of lease for a period of 99 years for allotment of land upto 2 acres was modified as granting the same on a lease-cum-sale basis, the lease period being 10 years. Accordingly, a Rectification Deed dated 22.11.2018 was executed rectifying the lease deed dated 03.05.2016.

4. It was claimed by the appellant that it had set up the industry in the border areas of Karnataka by investing high capital and it was not in a position to achieve break even. The appellant claimed

to have suffered the loss of ₹1,19,09,468/- for the financial year 2017-18 and loss of ₹67,96,622/- for the financial year 2018-19. It was further contended by the appellant that two other allottees namely, M/s Deerfield Logistics Pvt.Ltd., **[Deerfield]** and M/s. A.S.Global Logistics and Warehousing Services Pvt.Ltd., **[A.S.Global]** had been allotted land in the same industrial area at ₹88 lakhs per acre, which benefit ought to be extended to the appellant. Hence, the appellant sought for revision of the cost from ₹138 lakhs per acre to ₹88 lakhs per acre and refund of a sum of ₹1,00,00,000/- (Rupees One crore only) Claiming such revision/refund, various representations were made.

5. Since the said representations were not considered, the appellant preferred Writ Petition No.4134/2020. A learned Single Judge of this Court by order dated 03.02.2022 disposed of the writ petition with a direction to KIADB to consider the representation of the appellant. Consequent to the same, the representation of the appellant was rejected by communication/order dated 18.03.2022, which was impugned in the writ petition.

6. The learned Single Judge noticed that KIADB in its meeting held on 04.05.2016, which was affirmed on 04.06.2016, fixed the

rate of allotment of land at ₹88 lakhs per acre, which was prospective in nature. That the allotment made to the appellant having been made on 30.03.2016, the appellant was not entitled to the benefit of said revision. It was further noticed that the allotments made to Deerfield and A.S.Global were bulk allotments and hence, the rate of allotment made in the said cases could not be made applicable to the appellant, who was allotted 2 acres of land. Accordingly, the writ petition was dismissed.

7. Learned counsel for the appellant submits that the learned Single Judge had erred in not noticing that the specific grievance raised by the appellant regarding discriminatory allotment was not considered in a proper perspective. That the KIADB has not responded to the discriminatory allotment adopted by it in the representation made by the appellant. It was further contended that while the decision was taken to reduce the land cost by the KIADB on 05.04.2016 itself, it has been misrepresented that the decision to reduce the land cost was taken only on 04.06.2016. That the appellant had made the payment and was entitled the benefit of reduction of the cost. That by virtue of the decision taken on 05.04.2016, the revised rate of land was ₹88/- lakhs per acre and that the appellant was entitled for refund as sought.

8. *Per contra*, learned Advocate General appearing for the KIADB justifies the order passed by the learned Single Judge and contends that the reduction in land cost was taken only after the allotment was made to the appellant. That the allotment made to Deerfield and A.S.Global were bulk allotments and hence, cannot be equated with the allotment made in favour of the appellant. That the order passed by the learned Single Judge is just and proper, which is not required to be interfered with by this Court in the present appeal.

9. The essential factual matrix is undisputed, inasmuch as the allotment of the subject property in favour of the appellant was made vide allotment letter dated 30.03.2016 on lease basis for a period of 99 years and the land cost was fixed at ₹138 lakhs per acre. The entire land cost was to be paid within a period of 90 days i.e., on or before 29.04.2016. The appellant paid the entire land cost of ₹2,76,00,000/- on 25.02.2016 and on 06.04.2016. Hence, a confirmatory letter of allotment dated 16.04.2016 was issued. A Lease Deed dated 03.05.2016 was executed granting lease of the subject land for a period of 99 years. The said Lease Deed was registered on 11.05.2016. Pursuant to Government Order dated 11.07.2017, the grant of lease for a period of 99 years

for allotment of land up to two acres was modified as granting the same on a lease-cum-sale basis whereunder, after the lease period of 10 years, the Sale Deed was to be executed subject to fulfillment of other conditions. Accordingly, a Rectification Deed dated 22.11.2018 was executed rectifying the Lease Deed dated 03.05.2016 so as to grant the subject land for a lease of 10 years instead of 99 years and thereafter, after the said period of 10 years, the appellant would be entitled to seek for execution of the Sale Deed of the subject land.

10. The learned counsel for the appellant during the pendency of the writ petition had filed an application to bring on record certain documents. The extract of the proceedings of the KIADB of the 339th Meeting held on 05.04.2016 has been placed on record which indicate that various components for determination of land costs were discussed including interest on land acquisition; interest on development cost; development; and allotted area in a layout. It was discussed regarding the percentage of land to be reserved for parking, park and amenities etc., and that master plan to be prepared accordingly. In the said context, it was discussed that while 're-examining the Master Plan of earlier industrial areas and allotment rates based on land acquisition and other infrastructure

cost at that point of time, the allottee who has paid full costs and given letter of tentative allotment can come under the said category'.

11. The proceedings of the meeting of KIADB held on 04.05.2016 discloses that the aspect with regard to fixing of the rate of allotment was reviewed. With regard to the Jakkasandra Industrial Area [JIA], it was noted that an extent of 627.45 acres (private land of an extent of 543.45 acres and Government land of an extent of 84 acres) was acquired for the development of JIA and a compensation of ₹35 lakhs per acre was paid. KIADB in its meeting held on 21.12.2013 fixed the rate of land at ₹145.50 lakhs per acre, subsequently, the same was reduced in the meeting held on 24.11.2014 to ₹138 lakhs per acre due to reduction in the pro-rata cost of independent water supply scheme from ₹20.50 lakhs per acre to ₹13 lakhs per acre. After reviewing the cost for various works, it was noticed that the allotment rate was determined at ₹84.12 lakhs per acre, which includes cost of power infrastructure, cost of internal water distribution lines and roads. It was also noticed that the pro-rata cost of independent water supply scheme was not included, as the scheme was not yet finalized. That Deerfield and A.S.Global have been allotted land at JIA at ₹88

lakhs per acre. Hence, it was decided to fix the allotment rate of land at JIA at ₹88 lakhs per acre excluding the pro-rata cost of independent water supply scheme and to revise the master plan of the said industrial area as per the decision of the Board in its meeting on 05.04.2016 to maximise the allottable area. It was also decided that as and when independent water supply scheme is implemented, the allottees will have to pay pro-rata cost of water supply scheme based on their requirement. It is also noticed that in the said meeting on 04.05.2016 the cost of allotment for various other industrial areas were discussed and decided.

12. The appellant made a request for reducing the allotment price of the land allotted to it and hence, sought for refund of a sum of ₹1 crore. The said request was based on the decision taken in 339th Meeting of the KIADB held on 05.04.2016. The said representation of the appellant was rejected vide the communication dated 18.03.2022, which was impugned in the writ petition.

13. Before the learned Single Judge, KIADB had filed a memo placing on record the list of allotments made before 04.06.2016. It is forthcoming that various allotments of land ranging from 10 acres

to 0.50 acres were made from the year 2014 up to 04.06.2016 at ₹138 lakhs per acre. The allotment to A.S.Global was made on 26.06.2015 and to Deerfield on 19.11.2015. It was specifically noticed that with respect to said two allotments (namely A.S.Global and Deerfield) the rate of allotment was ₹88 lakhs per acre as per the decision of KIADB in its meeting held on 19.12.2015 for bulk allotments. Various allotments that were made after 04.06.2016 were ranging from 15.84 acres to 0.25 acres at the rate of ₹88 lakhs per acre.

14. The learned Single Judge while considering the contentions put forth by the appellant in the writ petition had noticed that KIADB had allotted lands to Deerfield and A.S.Global at ₹88 lakhs per acre since they were bulk allotments. It was further held that allotment to the appellant was made prior to 04.06.2016 and hence, KIADB was justified in allotting the same at ₹138 lakhs per acre.

15. Although it is the vehement contention of the learned counsel for the appellant that decision to reduce the cost of allotment of land was taken in the meeting of KIADB held on 05.04.2016, as has been noticed above, only the aspect with regard to the revision of the cost of the land was discussed in the meeting held on

05.04.2016. The decision to reduce the cost of the land was taken only in the meeting held on 04.06.2016.

16. In the present case, the appellant was allotted the land vide allotment letter dated 30.03.2016. The appellant made payments on 25.02.2016 and 06.04.2016. Accordingly, confirmatory letter of allotment dated 16.04.2016 was issued. Consequent to the same, the Lease Deed dated 03.05.2016 and Rectification Deed dated 22.11.2018 were executed. It is to be noticed that as on 05.04.2016 i.e., the first meeting of the KIADB, the appellant had not paid the entire cost of the land.

17. The finding of the learned Single Judge that by virtue of the allotments made to Deerfield and A.S.Global, no reduction in the rate of allotment could be made in favour of the appellant, is just and proper having regard to the specific contention of KIADB that the allotments made to Deerfield and A.S.Global are bulk allotments of 25 acres and 65 acres respectively, whereas the allotment made to the appellant is 2 acres.

18. Although it is the contention of the learned counsel for the appellant that for bulk allotment, the area of land allotted should exceed 50 acres, it is noticed that the decision to allot land to

Deerfield and A.S.Global was taken by KIADB having regard to the extent of land that was allotted and keeping in mind the Industrial Policy of 2014-2019.

19. Although it is the contention of the learned counsel for the appellant that no material was placed before the learned Single Judge to indicate the terms of the new industrial policy, there is sufficient material to demonstrate that the allotment of land in favour of Deerfield and A.S.Global at ₹88 lakhs per acre was discussed and decided by KIADB keeping in mind the industrial policy of the State; since they were bulk allotments; as also keeping in mind the nature of business carried on by the said companies.

20. It is clear from the factual matrix as noticed above that the allotment made in favour of the appellant was made before 04.06.2016 when the decision to reduce the rate of allotment in JIA was taken. Having regard to the same, it is not open to the appellant to claim allotment of land at a rate, which has subsequently been reduced.

21. We find no error in the decision of the learned Single Judge in dismissing the writ petition.

22. Accordingly, the above appeal is dismissed as being devoid of merit.

23. All pending applications are also disposed of.

**Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE**

**Sd/-
(C.M. POONACHA)
JUDGE**

nd/BS