



CNR: KAHC010489232022

NC: 2026:KHC:40440
WP No. 21291 of 2022

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 3RD DAY OF AUGUST, 2026

BEFORE

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

WRIT PETITION NO. 21291 OF 2022 (GM-RES)

BETWEEN:

MR A N SADASHIVAIAH,
S/O LATE G M NANJUNDAPPA,
AGED ABOUT 87 YEARS,
THE MANAGING DIRECTOR
M/S BASAVESHWARA SOLVENT
EXTRACTIONS PVT LTD.,
RESIDING AT NO.843,
BUTRICK ROAD, BANGARPET,
KOLAR DISTRICT- 563114.

...PETITIONER

(BY SRI. ANIL KUMAR A S., ADVOCATE FOR
SRI. PARAMESWARAPPA C., ADVOCATE)

AND:

M/S KARNATAKA STATE INDUSTRIAL AND
INFRASTRUCTURE DEVELOPMENT
CORPORATION LIMITED,
KHANIJA BHAVAN, 4TH FLOOR,
EAST WING NO.49, RACE COURSE ROAD,
BENGALURU- 560009
REPRESENTED BY
THE DEPUTY GENERAL MANAGER.

...RESPONDENT

(BY SRI. T.P VIVEKANANDA., ADVOCATE)



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THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO QUASHING THE LETTER DATED 01.10.2022 (ANNEXURE-A) WHICH IS DIRECTING THE PETITIONER TO PAY THE AMOUNT OF RS.234.74 LAKHS. BEARING NO. KSIIDC/RECOVERY 1195/2022-23., AND ETC.

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. The petitioner who had availed financial assistance from the respondent - Karnataka State Industrial Infrastructure Development Corporation Ltd., is before this Court seeking following reliefs:-

"(a) Issue a writ of Certiorari quashing the Letter dated 01.10.2022 (Annexure - A) which is directing the petitioner to pay the amount of ₹234.74 Lakhs; and bearing No. KSIIDC/Recovery/1195/2022-23.

(b) Issue a writ of Mandamus directing the respondent to consider the one time settlement scheme as provided under Modified CAR Scheme;

(c) Pass such other orders or issue such other directions as this Hon'ble Court deems fit in the facts and circumstances of the case in the interest of justice and equity."

2. The learned counsel for the petitioner submits that the petitioner had given one time settlement offer by a



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representation seeking reduction of amount from Rs.3,70,05,894/- to Rs.2,77,05,894/- which has not been considered till date. He submits that if direction is issued to the respondent authorities to consider the representation in accordance with law within a time bound manner and with further direction not to precipitate the matter till decision taken in this regard, the purpose of the petition would be served.

3. Learned counsel for the respondent on the other hand submits that the OTS proposal of Rs.370.06 lakhs offered by the petitioner was accepted. The petitioner had failed to pay the entire amount. Therefore, by communication dated 01.10.2022, the petitioner was clearly intimated that if the balance OTS amount was not paid within 15 days from the receipt of said communication, respondent-corporation would be taking legal action to recover the outstanding amount by cancelling the OTS including bringing the collateral assets for sale as provided under Section 32-G of the State Financial Corporations Act. That consideration of OTS scheme is a prerogative of the respondent authority if



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the same meets the guidelines and cannot be agitated as a matter of right. Hence, seeks for rejection of the petition.

4. Heard and perused the records.
5. There is no dispute of the fact that the petitioner having borrowed the money had defaulted. That the petitioner also had made OTS proposal which was approved by the respondent-Corporation. By communication dated 01.10.2022 produced at Annexure - A petitioner was called upon to pay and clear the outstanding sum of Rs.234.74 lakhs out of OTS amount of Rs.370.06 lakhs within 15 days from the date of said communication. Admittedly, petitioner has not paid the said amount. Petitioner seems to have given a representation as per Annexure - B on 23.09.2020 seeking for one time settlement of the matter under modified CAR scheme dated 05.03.2019. As rightly pointed out by the respondent, one time settlement cannot be insisted as a matter of right. The petitioner has to satisfy the guidelines if any for the purpose of consideration of his OTS offer. This is within the prerogative of the respondent



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authority which shall be exercised in terms of guidelines /scheme applicable if any.

6. Relief sought in the petition is for quashing of communication dated 01.10.2022 produced at Annexure-A in terms of which respondent-corporation called upon the petitioner to pay balance OTS amount of Rs.234.74 lakhs which was part of the OTS offer made by the petitioner. Petitioner seeking further reduction of the said OTS amount under purported modified CAR scheme.
7. This Court do not find any merits in contentions to quash the said communication dated 01.10.2022 at Annexure-A. Same is accordingly declined.
8. However, since the petitioner is inclined to settled the matter by paying balance OTS amount he is at liberty to approach respondent-corporation with appropriate proposal within 30 days from the date of receipt of certified copy of this order. Respondent-corporation may consider such proposal if the same is viable and satisfies the prevalent



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guidelines if any. Order one way or the other in this regard
be communicated to the petitioner within 30 days thereafter.

9. Petition ***disposed of*** accordingly.

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

Vmb
List No.: 1 Sl No.: 35