



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 22ND DAY OF APRIL, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

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

WRIT APPEAL NO. 1534 OF 2024 (GM-KIADB)

BETWEEN:

1. SRI M.R. MANJUNATHA
S/O M. RAMA RAO
AGED ABOUT 56 YEARS
BUSINESS, M KHANDE RAO TEXTILE
BESIDES ASHOKA THEATER
ASHOKA ROAD
DAVANAGERE - 577 001

...APPELLANT

(BY SRI YOGESH V. KOTEMATH, ADVOCATE FOR
SRI VIRUPAKSHIAH P.H., ADVOCATE)

AND:

1. KARNATAKA STATE INDUSTRIAL INVESTMENT
AND DEVELOPMENT CORPORATION LIMITED
MSIL HOUSE, 36, CUNNINGHAM ROAD
BANGALORE - 560 052
REPRESENTED BY ITS
EXECUTIVE DIRECTOR
2. KARNATAKA STATE INDUSTRIAL INVESTMENT
AND DEVELOPMENT CORPORATION LIMITED
KHANIJA BHAVAN, NO. 49, 4TH FLOOR
EAST WING, RACE COURSE ROAD
BANGALORE - 560 051

Digitally
signed by
VEERENDRA
KUMAR K M
Location:
High Court
of Karnataka



REPRESENTED BY ITS
MANAGING DIRECTOR

3. KARNATAKA STATE FINANCIAL CORPORATION
1/1, THIMMAIAH ROAD
NEAR CANTONMENT RAILWAY STATION ROAD
BANGALORE - 560 052
REPRESENTED BY ITS
GENERAL MANAGER (AR)
4. KARNATAKA STATE FINANCIAL CORPORATION
KHANIJA BHAVAN, NO.49, 4TH FLOOR
EAST WING, RACE COURSE ROAD
BANGALORE - 560 051
REPRESENTED BY ITS
DEPUTY GENERAL MANAGER (Z-V)
5. KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
NO.49, KHANIJA BHAVANA
4TH FLOOR, EAST WING
RACE COURSE ROAD
BANGALORE - 560 002
REPRESENTED BY ITS
CEO AND EXECUTIVE MEMBER
6. KARNATAKA STATE INDUSTRIAL AND
INFRASTRUCTURE DEVELOPMENT
CORPORATION LTD.
KHANIJA BHAVANA, NO.49, 14TH FLOOR
EAST WING, RACE COURSE ROAD
BANGALORE - 560 052
REPRESENTED BY ITS
DEPUTY MANAGER (Z.V.)
7. KARNATAKA STATE INDUSTRIAL INVESTMENT
AND DEVELOPMENT CORPORATION LIMITED



KESHAVAPURA, HUBLI - 580 023
REPRESENTED BY ITS
ASSISTANT GENERAL MANAGER

8. SRI M.R. VISHWANATH
S/O M. RAMA RAO
AGED ABOUT 68 YEARS
BUSINESS
R/A MAIN ROAD, MCC 'A' BLOCK
DAVANAGERE - 577 004

...RESPONDENTS

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT, 1961 PRAYING TO CALL FOR THE RECORDS IN W.P. NO.16711/2021 (GM-KIADB) AND SET ASIDE THE ORDER DATED 19/08/2024 PASSED IN W.P.NO.16711/2021 (GM-KIADB) BY THE LEARNED SINGLE JUDGE BY ALLOWING W.P.NO.16711/2021 (GM-KIADB) FILED BY THE APPELLANT/ PETITIONER HEREIN AND ETC.

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

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



ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. The appellant has filed the present appeal impugning an order dated 19.08.2024 passed by the learned Single Judge of this Court in Writ Petition No.16711/2021 (GM-KIADB) [**impugned order**].

2. The appellant had filed the said petition, *inter alia*, praying that directions be issued to the Karnataka Industrial Areas Development Board [**KIADB**], which is arrayed as respondent No.5 in the present appeal, to convey the right, title and interest over the land measuring 20 acres, comprising in Survey No.58/P of Maradi Village, Santebennur Hobli, Channagiri Taluk, Davanagere District [**the subject property**] by a registered deed. The petitioner also claims that directions be issued to the concerned parties to register the sale deed in respect of the subject property.

3. The petitioner claims that the subject property was one of the properties that were auctioned by respondent No.1, Karnataka State Industrial Investment and Development Corporation Limited



[**KSIIDC**], for recovery of its dues from the original allottees of the subject property.

4. The KSIIDC had issued an advertisement in newspapers inviting persons interested to participate in the auction of the subject property, amongst other properties on, "AS IS WHERE IS" basis. The appellant was the successful bidder in the said auction. Thus, he claims that he had acquired right, title and interest in respect of the subject property.

5. The appellant was also successful in acquiring other properties that were auctioned by KSIIDC. The sale deeds in respect to those properties have been executed in favour of the appellant, and are not the subject matter of dispute. The controversy is essentially confined to the appellant's right in respect of the subject property. The appellant claims that KSIIDC had assured conveyance of right, title and interest in the subject property, and the appellant had participated in the auction on the basis of the said assurance.

6. The undisputed fact is that the original borrowers/allottees did not own the subject property on freehold basis. They were



allottees and the KIADB had executed a lease cum sale agreement dated 14.11.1986 in their favour. The said lease was for a period of 21 years, and the same expired on 14.11.2007.

7. In the given facts, the learned Single Judge has rightly held that no directions could be issued for execution of the sale deed in favour of the appellant, since KSIIDC could not have auctioned the ownership rights in the subject property. KSIIDC could not confer any right, title or interest in the subject property that were not vested with the original borrowers.

8. The learned counsel for the appellant submits that the learned Single Judge has dismissed the writ petition without noticing the averments made by the KIADB in its statement of objections. He points out that KIADB has clearly stated that a lease cum sale agreement would be executed in favour of the auction purchasers. The learned counsel referred to paragraph 9 of the Statement of Objections, which read as follows:

"9. In the instant case the lease deed executed in the year 1986 for 21 years in favour of Nandhi Duplex Ltd has already expired, hence it is required to extend the lease period on the request of the 1st respondent who has auctioned the properties and thereafter lease cum sale agreement will be executed to auctioned



purchasers for implementing the project. Thereafter after implementing the project sale deed will be executed to the auctioned purchasers as per KIADB norms. Hence, the auctioned purchasers unless and until comply the conditions imposed by this respondent they are not entitled for seeking execution of the absolute sale deed. If the KSIIDC intend to transfer the lease hold rights to the auctioned purchasers who intend to establish the industry this respondent will be ready to execute the lease cum sale agreement subject to complying the other norms of the KIADB. Hence taking into consideration these aspects petitioner is not entitled for the relief sought in the writ petition conveying the right tile interest in respect of Sy.No.58/p 20 acres of land in Maradi Village, Channagiri Taluk."

9. A plain reading of the same indicates that KIADB unequivocally stated that the auction purchasers would not be entitled to seek execution of an absolute sale deed unless and until they comply with the conditions as imposed on them. Plainly, the appellant cannot claim any rights in addition to those subsisting with the original lessees in respect of the subject property. And since it is not disputed that the status of the original borrowers was only that of lessees and that they did not own any freehold rights in the subject property, the appellant cannot claim that he has acquired the same pursuant to the auction conducted by KSIIDC.



10. We also note that the learned Single Judge left it open for the appellant to seek remedies, if any, against KSIIDC for recovery of any amount paid pursuant to the auction.

11. The question whether there was any misrepresentation on behalf of KSIIDC, as claimed, and whether the appellant would be entitled to claim any damages or other reliefs against KSIIDC, is a separate matter. The impugned order does not preclude the appellant from seeking an appropriate relief in this regard. Needless to state that if any action for such relief is instituted, the same will be considered on its own merits and in accordance with law.

12. The appeal is dismissed, with the aforesaid observation.

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

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