

IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.1129 of 2024

Pahadiya Commercial Ltd. A registered company having its registered office at house of Late Madan Lal Jain, Kankar Bagh, Patna 800020 through one of its directors namely Binod Kumar Jain male aged about 64 years son of Late Madan Lal Jain resident of Kankar Bagh Road, Lohia Nagar, Sampatchak, Patna, Bihar - 800020.

... .. Petitioner/s

Versus

1. The State of Bihar through the Additional Chief Secretary Department of Industries, Government of Bihar, New Secretariat, Bailey Road, Patna.
2. The Additional Chief Secretary cum Appellate Authority Department of Industries, Government of Bihar, New Secretariat, Bailey Road, Patna.
3. The Bihar Industrial Area Development Authority, Udyogh Bhawan, East Gandhi Maidan, Patna through its Managing Director.
4. The Managing Director, Bihar Industrial Area Development Authority, Udyogh Bhawan, East Gandhi Maidan, Patna.
5. The Joint Managing Director, Bihar Industrial Area Development Authority, first floor, Udyogh Bhawan, East Gandhi Maidan, Patna.
6. The Deputy General Manager, Bihar Industrial Area Development Authority, Patna Cluster Udyogh Bhawan, East Gandhi Maidan, Patna.
7. The Executive Director, Regional Office, Bihar Industrial Area Development Authority, Patna.
8. The District Magistrate, Patna.
9. The Senior Superintendent of Police, Patna.

... .. Respondent/s

Appearance :

For the Petitioner/s	:	Mr. Gautam Kumar Kejriwal, Adv.
For the Respondent/s	:	Mr. Government Advocate 8
For the State	:	Mr. Ajay Bihar Sinha, GA-8
For the BIADA	:	Mr. Ajit Kumar, Adv.

CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY
ORAL JUDGMENT

Date : 12-05-2025

Heard the learned counsel for the parties.

2. This writ petition has been filed for the following

relief(s):-



“a) For issuance of a writ or order or direction restraining the respondents from taking any coercive action in the nature of physical dispossession of the petitioner from plot number C-1 in Patliputra Industrial Area leased out by the respondent Bihar Industrial Area Development Authority (hereinafter referred to as “the authority” for short) during the pendency of the present writ application;

b) For holding and a declaration that the petitioner is entitled to avail judicial remedies against any action taken by the respondent authority through its Managing Director or it is Chairman who happens to be the Additional Chief Secretary of the respondent Department of Industries, Government of Bihar, Patna before any coercive action is precipitated against the petitioner insofar as the industrial plot allotted to the petitioner is concerned;

c) For further issuance of a writ or order or direction restraining the respondent authority and its office bearers from carrying out any exercise of putting in consideration the aforesaid plot of the petitioner for allotment/lease



in favour of any other individual, company or business entity in the wake of illegal, unreasonable, arbitrary and invalid cancellation of allotment made vide order dated 09.11.2023 communicated vide memo number 1172 dated 11.11.2023 by the respondent Deputy General Manager, Patna cluster of the authority during the pendency of the present writ application;”

3. Learned counsel for the petitioner has stated that the respondents authority has allotted plot No. C - 1 admeasuring 12,000 sq. ft. in Patliputra Industrial Area, Patna in favour of a business entity and the original allottee had availed financial assistance from Bihar State Financial Corporation (BSFC). Thereafter, due to non- payment of the loan amount, the BSFC has sold the leasehold rights and changed many hands. That in the year 2006, the BSFC has advertised the aforesaid plot for auction of the leasehold rights and the petitioner participated in the said auction. That the petitioner being the highest bidder, his proposal was accepted by the BSFC and confirmed vide letter bearing memo no. 145 dated 15.07.2006. Thereafter, an agreement of sale was executed between the parties and the petitioner was put in physical possession of the subject property and continued to do business.



That the petitioner is an authorized dealer of Honda Motorcycle and Scooter India Private Limited for sales, service and spares of motorcycles and other products of the said company. That while things stood thus the respondent authority vide letter no. 127 dated 25.11.2010 has stated that the unit of the petitioner was found fully functional. That in the month of June, 2020 the petitioner has received a letter from the respondent BIADA stating that the unit of the petitioner is not fully functional and that he is not utilizing the entire area that was allotted to him and further seeking to cancel the allotment. Though the petitioner has filed a detailed objection/explanation to the said letter, the authorities without advertng to the same have passed the order dated 09.11.2023 communicated vide memo no. 1172 dated 11.11.2023 cancelling the allotment and forfeiting the amount deposited by the petitioner. Learned counsel for the petitioner has stated that though the petitioner had filed a statutory appeal before the appellate authority, the appellate authority has passed an order in a mechanical and pedantic manner and dismissed the appeal confirming the order of cancellation. Aggrieved thereof the petitioner has filed the present writ petition.

Learned counsel for the petitioner has stated that any industry that has been allotted land, cannot utilize the entire 100%



of the area. That out of the total area of 12,000 sq. ft. allotted to the petitioner only an area of 2,500 sq. ft. was remaining vacant, while the rest of the land was covered by the unit of the petitioner. That the authority without going through the various documents filed by the petitioner has rejected the claim of the petitioner in a mechanical manner. That the unit of the petitioner has been functioning successfully without there being any allegation of non functioning till the passing of the impugned order. Learned counsel has, therefore, prayed this Hon'ble Court to allow the present writ petition.

4. *Per contra*, the learned counsel appearing on behalf of the respondents-BIADA has vehemently opposed the very maintainability of the present writ petition and stated that the authorities having found that the petitioner is not utilizing the area and that the unit is not fully functional has taken a decision to cancel the allotment. Learned counsel has stated that the orders passed by both the appellate as well as the primary authority are well reasoned orders which do not require any interference by this Court and prayed this Hon'ble Court to dismiss the present writ petition.

5. This Court vide order dated 14.11.2024 has directed the authorities to inspect the premises of the subject property and



file a report. A report has been filed by the Deputy General Manager, Patna cluster which is marked as Annexure – R/8. The unit was inspected on 19.12.2024 and during the course of the inspection, it was found that out of the total allotted area of 12,000 sq. ft. the factory building and shed is constructed over approximately 7,000 sq. ft. and additionally a new shed has been constructed over an area of approximately 2,500 sq. ft.. The report states that machinery for servicing of two wheeler vehicles and hydraulic machines were found installed besides various equipments. The authority after the inspection had come to the conclusion that the unit was functioning fully. Having regard to the same, this Court in order to balance the equities between the parties has directed the petitioner to submit an undertaking along with the bank guarantee for a sum of Rs. 2.5 lakhs and the same has been filed.

6. Having regard to the same, the present writ petition is disposed of by setting aside the impugned orders dated 11.11.2023 and 16.01.2024. The petitioner shall file an undertaking before the respondent- BIADA authority within a period of three weeks from today along with the bank guarantee for Rs. 2.5 lakhs which shall be kept valid for a period of two years from the date of the undertaking.



7. With the above direction the present writ petition stands disposed of.

8. It is also made clear that in case the petitioner does not abide by the conditions imposed by this Court, the authorities are free to take physical possession of the subject property.

(A. Abhishek Reddy , J)

Gauravkr/-

AFR/NAFR	NAFR
CAV DATE	N/A
Uploading Date	15.05.2025
Transmission Date	N/A

