Reserved on : 08.12.2025
Pronounced on : 22.01.2026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 22ND DAY OF JANUARY, 2026

BEFORE

THE HON'BLE MR. JUSTICE M. NAGAPRASANNA

WRIT PETITION No.25744 OF 2025(GM - KIADB)

C/W

WRIT PETITION No.25894 OF 2025(GM - KIADB)

IN WRIT PETITION No.25744 OF 2025

BETWEEN:

TEJRAJ GULECHA
S/O PUKHRAJ GULECHA,
AGED ABOUT 71 YEARS,
RESIDING AT NO.1101, EKKA,
11TH FLOOR, PLATINUM ANANDA,
CHAMRAJPET,
BENGALURU – 560 018.

... PETITIONER

(BY SRI SAJAN POOVAYYA, SR.ADVOCATE A/W
SRI P.B.AJIT, ADVOCATE)

AND:

1 . KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD

A STATUTORY BODY CONSTITUTED
UNDER THE KARNATAKA INDUSTRIAL
AREAS DEVELOPMENT ACT, 1966,
HAVING ITS OFFICE AT NO.49,
4TH AND 5TH FLOORS, EAST WING,
KHANIJA BHAVAN, RACE COURSE ROAD,
BENGALURU – 560 001,
REPRESENTED BY ITS
CHIEF EXECUTIVE OFFICER AND
EXECUTIVE MEMBER.

2 . EMBASSY EAST BUSINESS PARK PRIVATE LIMITED
(FORMERLY KNOWN AS CONCORD
INDIA PRIVATE LIMITED,
AND PREVIOUSLY STEYR INDIA LTD.)
A COMPANY AS PER THE PROVISIONS OF
THE COMPANIES ACT, 2013,
EMBASSY POINT, 1ST FLOOR,
NO.150, INFANTRY ROAD,
REPRESENTED BY ITS
MANAGING DIRECTOR.
BENGALURU – 560 001.

3 . LAM RESEARCH (INDIA) PRIVATE LIMITED
A COMPANY AS PER THE PROVISIONS
OF THE COMPANIES ACT, 2013,
HAVING ITS REGISTERED OFFICE AT
GROUND FLOOR, CROWN BUILDING,
NO.65/2-1, BAGMANE TECH PARK,
KRISHNAPPA GARDEN, CV RAMAN NAGAR,
BENGALURU – 560 093,
REPRESENTED BY ITS
MANAGING DIRECTOR.

... RESPONDENTS

(BY SRI B.B.PATIL, ADVOCATE FOR R-1;
SRI K.G.RAGHAVAN, SR.ADVOCATE A/W
SRI AJESH KUMAR S., ADVOCATE FOR R-2;

SRI SRINIVASA RAGHAVAN, SR.ADVOCATE A/W
SRI V.J.ACHALANAND, ADVOCATE FOR R-3)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO A) ISSUE A WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER, OR DIRECTION, QUASHING THE IMPUGNED LETTER DATED 07.02.2025 BEARING NO.KIADB/HO/ALLOT/AS-143/19911/2024-25 ISSUED BY RESPONDENT NO.1; B) ISSUE A WRIT OF CERTIORARI OR ANY OTHER APPROPRIATE WRIT, ORDER, DIRECTION, QUASHING THE RESIGTERED SUB-LEASE DEED DATED 20.03.20254 BEARING NO. BNG(V)-VRT/9366/2024-25/1-73 (ANNEXURE-A) EXECUTED BETWEEN RESPONDENT NO.2 AND RESPONDENT NO.3, BEING WHOLLY ILLEGAL, ARBITRARY, AND IN VIOLATION OF CLAUSE 11(a) AND OTHER MATERIAL PROVISIONS OF THE LEASE CUM SALE AGREEMENT DATED 07.06.2007; C) ISSUE A WRIT OF MANDAMUS OR ANY OTHER APPROPRIATE WRIT, ORDER, OR DIRECTION, DIRECTING RESPONDENT NO.1 TO FORTHWITH TAKE ALL STEPS AS ARE WARRANTED IN LAW, INCLUDING INITIATION OF ACTION UNDER SECTIONS 34 AND 38 OF THE KIAD ACT, AGAINST RESPONDENT NO.2 FOR BREACH OF THE TERMS AND CONDITIONS OF THE LEASE CUM SALE AGREEMENT DATED 07.06.2007 VIDE ANNEXURE- C.

IN WRIT PETITION No.25894 OF 2025

BETWEEN:

REDDY VEERANNA
S/O LATE R.SANJEEVAPPA,
AGED ABOUT 69 YEARS,
RESIDING AT NO.109,
10TH MAIN, 7TH CROSS,
RMV EXTENSION,
SADASHIVANAGAR,
BENGALURU – 560 080.

... PETITIONER

(BY SRI SAJAN POOVAYYA, SR.ADVOCATE AND
SRI C.K.NANDAKUMAR, SR.ADVOCATE A/W
SRI P.B.AJIT, ADVOCATE)

AND:

1 . KARNATAKA INDUSTRIAL AREAS
DEVELOPMENT BOARD
A STATUTORY BODY CONSTITUTED
UNDER THE KARNATAKA INDUSTRIAL
AREAS DEVELOPMENT ACT 1966,
HAVING ITS OFFICE AT NO.49,
4TH AND 5TH FLOORS,
EAST WING, KHANIJA BHAVAN
RACE COURSE ROAD,
BENGALURU – 560 001
REPRESENTED BY ITS
CHIEF EXECUTIVE OFFICER AND
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2 . EMBASSY EAST BUSINESS PARK PRIVATE LIMITED
(FORMERLY KNOWN AS CONCORD
INDIA PRIVATE LIMITED, AND PREVIOUSLY
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A COMPANY AS PER THE PROVISIONS OF
THE COMPANIES ACT, 2013,
EMBASSY POINT, 1ST FLOOR,
NO.150, INFANTRY ROAD,
BENGALURU – 560 001,
REPRESENTED BY ITS
MANAGING DIRECTOR.

3 . LAM RESEARCH (INDIA) PRIVATE LIMITED
A COMPANY AS PER THE PROVISIONS OF
THE COMPANIES ACT, 2013,
HAVING ITS REGISTERED OFFICE AT
GROUND FLOOR, CROWN BUILDING,

NO.65/2-1, BAGMANE TECH PARK,
KRISHNAPPA GARDEN,
CV RAMAN NAGAR,
BENGALURU – 560 093,
REPRESENTED BY ITS
MANAGING DIRECTOR.

... RESPONDENTS

(BY SRI B.B.PATIL, ADVOCATE FOR R-1;
SRI K.G.RAGHAVAN, SR.ADVOCATE A/W
SRI AJESH KUMAR S., ADVOCATE FOR R-2;
SRI SRINIVASA RAGHAVAN, SR.ADVOCATE A/W
MS.TAMARRA SEQUEIRA, ADVOCATE FOR R-3)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 OF THE CONSTITUTION OF INDIA PRAYING TO A. QUASHING THE IMPUGNED LETTER DATED 07.02.2025 BEARING NO. KIADB / HO/ALLOT/AS-143/19911/2024-25 ISSUED BY RESPONDENT NO.1; B. QUASHING THE REGISTERED SUB-LEASE DEED DATED 20.03.2025 BEARING NO. BNG(V)-VRT/9366/2024-25/1-73 (ANNEXURE-A) EXECUTED BETWEEN RESPONDENT NO.2 AND RESPONDENT NO.3, BEING WHOLLY ILLEGAL, ARBITRARY, AND IN VIOLATION OF CLAUSE 11(A) AND OTHER MATERIAL PROVISIONS OF THE LEASE-CUM-SALE AGREEMENT DATED 07.06.2007; C. DIRECTING RESPONDENT NO.1 TO FORTHWITH TAKE ALL STEPS AS ARE WARRANTED IN LAW, INCLUDING INITIATION OF ACTION UNDER SECTIONS 34 AND 38 OF THE KIAD ACT, AGAINST RESPONDENT NO.2 FOR BREACH OF THE TERMS AND CONDITIONS OF THE LEASE-CUM-SALE AGREEMENT DATED 07.06.2007, VIDE ANNEXURE-C.

THESE WRIT PETITIONS HAVING BEEN HEARD AND RESERVED FOR ORDERS ON 08.12.2025, COMING ON FOR PRONOUNCEMENT THIS DAY, THE COURT MADE THE FOLLOWING:-

CORAM: **THE HON'BLE MR JUSTICE M.NAGAPRASANNA**

CAV ORDER

The petitioners, who are different in both these petitions, seek the following prayer:

> (a) "Issue a writ of certiorari or any other appropriate writ, order or direction, quashing the impugned letter dated 07-02-2025 bearing No.KIADB/HO/Allot/AS-143/19911 /2024-25 issued by respondent No.1;
>
> (b) issue a writ of certiorari or any other appropriate writ, order, or direction, quashing the registered Sub-Lease Deed dated 20-03-2025 bearing No.BNG(V)-VRT/9366 /2024-25/1-73 (Annexure-A) executed between respondent No.2 and respondent No.3, being wholly illegal, arbitrary and in violation of Clause 11(a) and other material provisions of the Lease-cum-Sale Agreement dated 07-06-2007;
>
> (c) issue a writ of mandamus or any other appropriate writ, order, or direction, directing Respondent No.1 to forthwith take all steps as are warranted in law, including initiation of action under Sections 34 and 38 of the KIAD Act, against Respondent No.2 for breach of the terms and conditions of the Lease-cum-Sale Agreement dated 07-06-2007 vide Annexure-C;
>
> (d) pass such other and further orders as this Hon'ble Court may deem fit in the interest of justice and equity."

2. Heard Sri Sajan Poovayya and Sri C.K.Nandakumar, learned senior counsel appearing for the petitioners; Sri B.B. Patil,

learned counsel appearing for respondent No.1; Sri K.G. Raghavan, learned senior counsel appearing for respondent No.2 and Sri Srinivasa Raghavan, learned senior counsel appearing for respondent No.3.

3. Facts, in brief, germane are as follows: -

3.1. The petitioners are said to have paid respondent No.2 ₹9,25,00,000/- in the year 2004. The payment is made to the erstwhile shareholders as consideration for transfer of 50% of the share holding in respondent No.2. On 07-06-2007 the Karnataka Industrial Areas Development Board ('the Board' for short) executed a lease-cum-sale agreement in favour of Embassy East Business Park Private Limited/2nd respondent in respect of Schedule 'A' property measuring 78 acres situated in Kadugodi Industrial Area, Bengaluru. 15 years thereafter, the petitioners in Writ Petition Nos. 25744 of 2025 and 25894 of 2025 approaches this Court in Writ Petition Nos. 18952 of 2021 c/w 18986 of 2021 projecting violations of the principal agreement and repeated charges created by the 2nd respondent with respect to Schedule 'A'

property. This Court had granted an interim order of stay on 29-10-2021. On 16-05-2023, the writ petitions come to be disposed directing the 1st respondent/Board to take appropriate action against the 2nd respondent under the provisions of the Karnataka Industrial Areas Development Act, 1966.

3.2. The said judgments were challenged before the Division Bench in Writ Appeal Nos.686 and 689 of 2023. The Division Bench modifies the judgment and directs enquiry to be conduced as was directed by this Bench. The writ appeals come to be disposed of on 26-07-2023. On 03-09-2024 the 1st respondent resumed proceedings and further granted time to the 2nd respondent to commence construction, despite noting violations by the 2nd respondent. Petitioners have also filed Writ Petition Nos. 25857 of 2024 c/w 25851 of 2024 challenging the order of the Board dated 03-09-2024. A coordinate Bench of this Court dismisses the said writ petitions on the ground of want of *locus*. Writ Appeals thereof are preferred in Writ Appeal No.1772 of 2024 c/w Writ Appeal No.1797 of 2024 and the Division Bench has directed the parties to abide by the principal agreement till the next date. There is no stay

of the order. On 05-02-2025 the Division Bench referred the parties for mediation and the mediation is said to have failed.

3.3. When things stood thus, on 07-02-2025 the 1st respondent/Board permits the 2nd respondent to sub-lease a portion of the schedule property in favour of the 3rd respondent and the 2nd respondent executes sub-lease in favour of the 3rd respondent in respect of 25 acres of Schedule 'A' property which now becomes Schedule 'B' property for a transaction of ₹1,125/- crores. The petitioners are again before this Court in the subject petition, calling in question permission so granted by the Board and execution of sub-lease agreement thereon.

3.4. The matters were heard on a threshold ground of the petitioners having *locus* or otherwise to call in question the impugned proceedings or impugned order, as the case would be. In the event it was found that the petitioners did have *locus*, the matters would be heard further on their merit is what was observed by this Court while reserving the matters only on the threshold bar of *locus*.

4. The learned senior counsel Sri Sajan Poovayya and Sri C. K. Nandakumar appearing for the petitioners would vehemently contend that this Court on an earlier occasion had projected that the 2nd respondent has in fact misutilized public lands that were allotted to the 2nd respondent by the Board by creating charge after charge. The Division Bench did not modify the same. Despite the directions of the Division Bench, no enquiry worth the name was even conducted, but permission is granted to sub-lease the area of 25 acres out of the lands that were allotted in the year 2007 without even complying with the directions of this Bench or the Division Bench. The learned senior counsel further contend that if this would be permitted, the 2nd respondent would barter away the entire land allotted to it by entering into sub-lease agreements.

5. Per contra, the learned senior counsel Sri K.G.Raghavan appearing for the 2nd respondent would vehemently refute the submissions in contending that the petitioners will have to first cross the threshold bar of proving that they do have the *locus* to challenge the impugned order/proceedings. The petitioners are not

allottees. The petitioners are not the ones who approached the KIADB seeking allotment. The petitioners and the 2nd respondent have a private dispute with regard to certain investments made in the year 2004. That private dispute cannot become subject matter of proceedings before this Court invoking its extraordinary jurisdiction under Article 226 of the Constitution of India. He would submit that the judgment rendered by this Bench earlier has been completely diluted by the Division Bench, if not reversed and in the 2nd round of proceedings a coordinate Bench clearly holds on identical facts that the petitioners do not have *locus*, which is now pending consideration before the Division Bench. He would, therefore, contend that this Court must not entertain the petitions of a private dispute invoking public law remedy.

6. The learned counsel Sri B.B.Patil representing the 1st respondent/Board would vehemently contend that the allegation that no enquiry is conducted is contrary to facts. He has placed on record the enquiry conducted pursuant to the directions of the Division Bench and the notices being issued to the parties. Sub-lease is what is permitted under the allotment rules. Therefore, no

fault can be found with the 2nd respondent entering into sub-lease with the 3rd respondent.

7. The learned senior counsel representing the 3rd respondent would submit that it is caught in the cross-fire between the petitioners, the 2nd respondent and the Board and is now put to huge loss having invested crores of amount for the lease and development of scientific center. He would also seek dismissal of these petitions. All the respective learned senior counsel have relied on several judgments of the Apex Court or that of this Court, all of which would bear consideration qua their relevance in the course of the order.

8. I have given my anxious consideration to the submissions made by the respective learned counsel and have perused the material on record.

9. As observed hereinabove, the petitions were reserved only on the issue of *locus*. In the event *locus* is found to be existing to the petitioners to invoke the jurisdiction of this Court under Article

226 of the Constitution of India, the matters would be heard on merits. Therefore, I now proceed to answer only the issue on *locus*. The genesis of the dispute between the petitioners in both these petitions and the 2nd respondent appears to be of the year 2004 on certain investment in the share holdings of the 2nd respondent. In the year 2007 certain lands are allotted by the Board. Nothing happens up to 2021, during which year two petitions spring before this Court. The genesis of the present dispute is from those petitions.

10. A coordinate Bench of this Court in Writ Petition No.18952 of 2021 had passed the following interim order:

"FRIDAY THE 29TH DAY OF OCTOBER 2021
BY HON'BLE MR. JUSTICE KRISHNA S.DIXIT

As follows:

O R D E R

Issue Rule.
Interim order as prayed for.
Petitioner shall not abuse the interim order.

Note:- As an interim relief, it is prayed to:

a. restrain Respondent No.2 from creating any further right, title or interest in the Leased Property, i.e., land in plot No.6, Kadugodi Industrial Area, comprised in Sy.No.1,

Block No.73 within the village limits of Kadugodi Plantation, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru ad-measuring 78 acres and 2219 sq.mtrs. during the pendency of the present petition; and

b. restrain Respondent No.1 from granting written consent under Clause 11(b) of the Lease-cum-Sale Agreement dated 07-06-2007 (as at Annexure-D), during the pendency of the present petition."

The aforementioned petition and the connected writ petition in Writ Petition No.18986 of 2021 come to be disposed of by this Bench in terms of its order dated 16-05-2023. The contentions raised and the answers rendered by this Bench are as follows:

"…. …. ….

7. The learned senior counsel appearing for the petitioners would vehemently contend that the petitioners and the 2nd respondent/erstwhile CIPL have disputes between them which are being agitated in appropriate fora. What drives the petitioners to this Court in the subject petition is the acts of the 2nd respondent in misusing the property allotted to it by the State/Board. It is the submission of the learned senior counsel that between the dates on which the litigation commenced between Government of Karnataka and the 2nd respondent contending that it was a forest land, and the end of litigation before the Apex Court, the 2nd respondent has created several charges on the property without the consent of the Board. He would submit that the Board in its statement of objections has clearly admitted that only consent it gave for creation of a mortgage was with regard to HDFC Limited and, to no other charge the 2nd respondent has created there is consent of the Board. He would submit that the Board ought to have initiated action for violation of the terms of lease-cum-sale agreement and its silence is what is to be contested before this Court.

8. On the other hand, the learned senior counsel appearing for the 2nd respondent would vehemently refute the submissions to contend that the petitioners have no locus standi to seek the prayer that he has sought in the petition. If a writ of mandamus is to be issued at the behest of a person like the petitioners, they have to demonstrate that they are the persons aggrieved. If they are not the persons aggrieved by any action of any public Authority, the writ petition would not be maintainable. The learned senior counsel would further seek to project that the petitioners are wanting to settle their personal scores as there is a dispute between the petitioners and the 2nd respondent with regard to share holdings in CIPL as the petitioners are the erstwhile shareholders. He would emphatically submit and admit that if there is any violation of the terms and conditions of lease-cum-sale agreement, the Board will take action, and if the Board wants to take any action, the 2nd respondent would be ready and willing to co-operate with the Board for any action to be taken by it, which it would suitably justify before the Board. It is his submission that the petitioners are nobody to invoke the extraordinary jurisdiction of this Court under Article 226 of the Constitution of India for a direction to the Board to take appropriate action.

9. The learned senior counsel representing the Board would take this Court through the statement of objections filed by the Board to contend that only one consent was given by the Board in the year 2007 for creating a mortgage with HDFC Limited and no other consent was obtained and any other charge created by the 2nd respondent will be dealt with in accordance with the provisions of the Act. He would submit that action would definitely be taken.

10. In reply, the learned senior counsel representing the petitioners would submit on the technical plea of locus, a case of this nature should not be ignored by this Court as the 2nd respondent has played fraud by creating, charge after charge, without the consent of the Board and has generated several crores of revenue contrary to the lease-cum-sale agreement. The lease-cum-sale agreement was entered into by the Board with the 2nd respondent for a particular purpose of development. Not an inch of development of land has taken place even as on date. He would submit that the 2nd respondent has indulged in

real estate by holding the public property and treating it to be his private property.

11. The learned senior counsel for the 2nd respondent joining the issue would refute by contending that the moment the lease-cum-sale agreement was entered into, litigation began and it ended only in the year 2020 before the Apex Court, and therefore, no development could take place. He would admit that, if the Board were to take any action, the 2nd respondent would fight it out with the Board with regard to alleged creation of charge, without the consent of the Board.

12. The remaining respondents who are the other holdings in favour of whom CIPL or the present 2nd respondent have agreements have filed their common objection to both these petitions, sitting on the fence.

13. I have given my anxious consideration to the submissions made by the respective learned senior counsel representing the parties and have perused the material on record.

14. The afore-narrated facts are not in dispute as they lie in a narrow compass. Disputes between the petitioners and the 2nd respondent, as observed hereinabove, galore. The petitioners along with certain other entities claims to have paid certain amount to the erstwhile 2nd respondent, CIPL. All the disputes pertain to the holding of schedule property which belongs to the Board. Application had already been made by the 2nd respondent seeking allotment of land in the aforesaid plot of land in Plot No.6, Kadugodi Industrial Area, comprised in Sy.No.1, Block No.73 within the village limits of Kadugodi Plantation, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru admeasuring 78 acres and 2219 sq.mts. for joint development of land by both groups. During the pendency of the application, the 2nd respondent creates first charge of availing finance from the Housing Development Finance Corporation Limited (HDFC) on 06-06-2007. This is in public domain. On the next day the lease-cum-sale agreement was executed by the Board in favour of M/s Concord India Private Limited (CIPL) the erstwhile entity of the 2nd respondent. Certain clauses of the lease-cum-sale agreement are germane to be noticed and are therefore, extracted hereunder for the purpose of quick reference:

"Agreement made at Bangalore the **Seventh** day of **June** month Two Thousand **Seven** between the Karnataka Industrial Areas Development Board having its Head Office at No: 14/3, lInd Floor, Rastrothana Parishath Building, Nrupathunga Road, Bangalore-560001 represented by Sri. M C Nagaraju, Assistant Secretary, hereinafter called the 'lessor' (which term shall wherever the context so permits, mean and include its successors in interest) of the one Part AND **M/S Concord India Ltd, I Floor, Embassy Point, 150, Infantry Road Bangalore-560 001** represented by **Sri. Narpat Singh Choraria, Director** hereinafter called the 'lessee' (which term shall wherever the context so permits, mean and include his/her/its heirs, executors, administrators, assignee and legal representatives) of the other part.

Whereas the lessee has applied to the lessor for allotment of land for setting up of an Industrial Infrastructure project, and in pursuance thereof, the lessor has agreed to lease the plot of land herein described, upon terms and conditions herein contained.

….. …. ….

10. (a) The lessor may, if the lessee so desires, shall permit implementation of the project in a phased manner, but not exceeding in three phases, in accordance with the time schedule prescribed as under:

Phase No.	**For approval of building plans**	**To commence civil works**	**To complete the civil works & Implement the project**
I Phase	3 months from the date of taking possession of schedule property	6 months from the date of approval of building plans	36 months from the date of taking possession of schedule property

II Phase	Within 3 months after the expiry of initial 36 months.	6 months from the date of approval of building plans	54 months from the date of taking possession of schedule property
Final Phase	Within 3 months after the expiry of 54 months	3 months from the date of approval of building plans	72 months from the date of taking possession of schedule property.

…. …. ….

d) The Lessor shall have the right to terminate the lease and resume the possession of the schedule property or any part thereof, in the event the Lessee has failed to implement the project, within the stipulated period. or extended period, if any.

11. a) On written request from the lessee, the lessor may permit the sub lease of lease hold nights of the scheduled property or any part thereof in favour of a project developer solely for the construction of buildings and allied purposes in pursuance of the implementation of the project as cleared by the Government in the C&I Department, or, any other agency constituted by it in this behalf.

(b) The lessee may mortgage the right, title and interest in the Schedule Property after obtaining consent in writing from the lessor to secure loans for erection of building, plant and machinery on the schedule property or to avail working capital facilities for the purposes of the project on the schedule property from financial institutions and banks."

(Emphasis added)

The purpose for execution of lease-cum-sale agreement was on the application made by the 2nd respondent for setting up a industrial infrastructure project. The extent of land was 78 acres and 2219 sq.mts. The Schedule reads as follows:

"…. …. ….

FIRST SCHEDULE
(DESCRIPTION OF LAND)

All that piece of land known as Plot No. 6 in Sy.No. 1, Block 73 in the Kadugodi Industrial Area within the limits of Kadngodi Plantation Village, Bidarahali Hobli,, Bangalore East Taluk, Bangalore District containing by admeasurement **78 acres 2219 sqmtrs** or thereabouts and bounded as follows that is to say:-

On or towards North by	Agricultural land & Part of Sy No.1
On or towards South by	Bangalore-Whitefield Main Road
On or towards East by	Agricultural Land
On or towards West by	M/s Herbert India Ltd & KIADB Road"

The aforesaid land would be hereinafter referred to as the schedule property. On 16-04-2008 after execution of lease-cum-sale agreement certain proceedings are instituted by the State Government contending that the land that was allotted to the 2nd respondent was a forest land. This became a subject matter of Writ Petition No.7200 of 2008 and connected cases before this Court. A learned single Judge in terms of his order dated 25-05-2012 allowed the writ petitions and set aside those Government orders which had declared the said land to be a forest land. This was called in question by the State Government before the Division Bench in Writ Appeal No.4283 of 2012 and connected cases. A Division Bench of this Court dismissed the writ appeals in terms of its order dated 23-07-2019. State again tossed the said order before the Apex Court, only to be dismissed. Therefore, the litigation that began pursuant to the order of the Assistant Conservator of Forests on 09-09-2009 ended in the year 2020 by the Apex Court rejecting the appeal filed by the State. At no point in time there was any order in favour of the State. They were all against the State. What happens between the date of lease-cum-sale agreement dated 07-06-2007 and dismissal of the SLP forms the fulcrum of the allegations in the case at hand.

15. It is not in dispute that what is allotted to the 2nd respondent by way of lease-cum-sale agreement was a public

property and is allotted for a particular purpose on certain terms and conditions albeit, for a consideration. The terms and conditions as ascribed in the lease-cum-sale agreement are already extracted hereinabove. The 2nd respondent/Company avails working capital of ₹150/- crores from HDFC Limited on 28-11-2014. The said charge created by a document depicting the charge is appended to the petition. This creation of charge or drawing of working capital of ₹150/- crores from HDFC limited is admittedly not with the consent of the Board. The dates of creation of charge and the amount drawn in terms of the said mortgage, mortgaging the schedule property in favour of several persons are as follows:

"**Charges Registered**

Company

CIN/FCRN/LLPIN/FLLPIN U51101KA1973PTC002298

Company / LLP Name EMBASSY EAST BUSINESS PARK PRIVATE LIMITED

Charges Registered

SNo	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Date of Satisfaction	Amount	Address
1	T36253276	100468522	IDBI TRUSTEESHIP SERVICES LIMITED	12/08/2021	-	-	4780000000.0	Asian Building, Ground Floor, 17, R.Kamani Marg Ballard Eastate Mumbai MH400001 IN
2	T34424622	100464827	IDBI TRUSTEESHIP SERVICES LIMITED	31/07/2021	02/08/2021	-	840000000.0	Asian Building, Ground Floor, 17, R.Kamani Marg Ballard EstateMumbaiMH 400001IN
3	T33870502	100085955	IDBI TRUSTEESHIP SERVICES LIMITED	27/03/2017	06/07/2018	02/08/2021	1000000000.0	Asian Building, Ground Floor, 17, R.Kamani Marg Ballard Estate,MumbaiMH 400001IN
4	G38971479	10561180	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	28/11/2014	-	23/03/2017	1500000000.0	RAMON HOUSE 169BACKBAY RECLAMATION H T PAREKH MARGMUMBAIMH 400020IN
5	G390850	1000843	HOUSING	27/02/	-	23/03/	10000000	RAMON HOUSE

	71	66	DEVELOPMENT FINANCE CORPORATION LIMITED	2017		2017	00.0	169BACKBAY RECLAMATION H T PAREKH MARGMUMBAIMa 400020IN
6	G38972568	10008436 9	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	16/11/2016	-	23/03/2017	2000000000.0	RAMON HOUSE 169BACKBAY RECLAMATION H T PAREKH MARGMUMBAIMa 400020IN
7	G39082623	10008437 6	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	06/01/2017	-	23/03/2017	1500000000.0	RAMON HOUSE 169BACKBAY RECLAMATION H T PAREKH MARGMUMBAIMa 400020IN
8	G38973673	10008441 9	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	07/09/2016	-	23/03/2017	2500000000.0	RAMON HOUSE 169BACKBAY RECLAMATION H T PAREKH MARGMUMBAIMa 400020IN
9	A82828435	10083820	HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED	06/06/2007	06/11/2007	31/03/2010	392647727.0	RAMON HOUSE 169BACKBAY RECLAMATION H T PAREKH MARGMUMBAIMH 400020IN"

The aforesaid charge is drawn from the website of the Ministry of Corporate Affairs, Government of India under the head, index of charges created by Embassy East Business Park Private Limited, the 2nd respondent herein. These are the charges created not only up to the date of the SLP getting dismissed, but a few even after that, and the latest being on 31-07-2021 and 12-08-2021 for an amount of ₹840/- crores and ₹478/- crores respectively. Therefore, a property that was the subject matter of lease-cum-sale agreement on certain terms and conditions has been held by the 2nd respondent and has been the subject matter of several charges being created without the consent of the Board.

16. It now becomes germane to notice the statement of objections initially filed by the Board to the writ petition. The objections are filed on 12-01-2022. Certain paragraphs become germane to be noticed. Paragraphs 6 and 7 of the statement of objections read as follows:

"…. …. ….

6. It is submitted, in response to allegations of nine charges stated to be created right from the year 2006 to 2021 as stated in paragraphs 11 & 26 of Writ Petition, it is submitted that the answering Respondent has issued only one NOC dated 31.08.2019 in favour of 3rd Respondent (IDBI Trusteeship Services Ltd., Mumbai) on a specific request made by the allottee. No other NOC is issued in favour of any other entity. If any other transactions are entered into, it will not bind the interest of KIADB and action will be taken as per the terms of lease agreement. Hence, statements made in these paragraphs are incorrect.

7. It is submitted in response to other averments made in the writ petition alleging payment of Rs.9,25,00,000/- by the Petitioner to 2nd Respondent in the year 2004 for transfer of 1,91,301 shares in CIPL and breach of such contract, it is submitted that the answering Respondent is not aware of such contract between them……"

(Emphasis added)

At paragraph 6 in response to the allegation of creation of 9 charges, the Board would contend that it is not aware of 9 charges that are created between 2006 and 2021. The Board is aware that only one no objection was given on 31-08-2019 in favour of the IDBI Trusteeship Services Limited, Mumbai on a specific request made by the allottee, the 2nd respondent. No other NOC is issued in favour of any other entity. It is again averred that if any other transactions are entered into it will not bind the interest of the Board and action will be taken as per the terms of lease agreement. The aforesaid is the emphatic averment, on oath by the Board.

17. If the allegations in the petition against the 2nd respondent are read in tandem with the objections filed by the Board, what would unmistakably emerge is that, the 2nd respondent has created certain charge on several occasions holding the schedule property without the consent of the board, at least in 8 of the charges that are created. The consent that the Board refers to is also appended to the statement of

objections along with the request of CIPL for issuance of NOC. The request dated 21-08-2019 reads as follows:

"Date: 21St August 2019
To,

The Chief Executive Officer & Executive Member
Kamataka Industrial Area Development Board (KIADB)
4 & 5 floor, Khanja Bhavan
No. 49, Race Course Road,
Bengaluru-560001

Dear Sir,

Sub: Request for issue of NOC for mortgage of the property bearing Plot No. 6 in the Kadugodi Industrial Area, comprised in Sy No. 1, Block No. 73 within the village limits of Kadugodi Plantation, Bidarahalli Hobli, Bangalore East Taluk, Bangalore District admeasuring 78 acres 2219 sqmtrs or thereabouts to IDBI Trusteeship Services Limited.

Ref: Lease cum sale Agreement dated 7th June 2007 in respect of 78 acres 2219 sqmtrs or thereabouts

With reference to the above, we hereby bring to your kind notice that we are in the process of mortgaging approximately 60.55 acres of Land situated in Plot No. 6 in the Kadugodi Industrial Area, comprised in Sy No. 1, Block No. 73 within the village limits of Kadugodi Plantation, Bidarahall Hobli, Bangalore East Taluk, Bangalore District to IDBI Trusteeship Services Ltd.

The above said land has been allotted to us and we are given possession of the same in accordance with the lease cum sale agreement dated 7th June 2007 executed in favour of Concord India Private Limited. We here by request your good self to accord the permission for the same and issue the NOC at the earliest.
Thanking you,

Yours truly,

For **Concord India Private Limited**
Sd/-
Authorised Signatory"

The request is acceded to and NOC is issued by the following communication:

"No. KIADB/Sec-3/AS-143 Vol-IV/7842/2019-20

Date: 31.08.2019
RPAD

M/s Concord India Pvt Ltd,
#150, Embassy Point,
Infantry Road,
Bangalore-560 001

Sir,

Sub: Issue of NOC in respect of the Plot No.6 Sy. No. 1 Block No.73 of 78.548 Acres of land at Kadukodi I.A, Whitefield, Bangalore.

Ref: 1. Lease Agreement dt: 07.06.2007.
2. Your letter dt: 22.08.2019.

****

With reference to your request, vide letter cited under ref (2), you are hereby permitted to mortgage the right, title and interest you derive under the Lease cum Agreement dated: 07.06.2007 in favour of M/s IDBI Trusteeship Services Ltd, Asian Building, Ground Floor 17, R Kamani Marg. Ballard Estate, Mumbai - 400 001 to secure money to be advanced by them for erection of Building / Plant and Machinery / Working Capital in respect of Plot No.6 Sy. No.1 Block No.73 of 78.548 Acres of land at Kadukodi I.A, Whitefield, Bangalore. "Subject to the conditions stipulated in Allotment Letter/Lease agreement and First Charge on the said asset lies with the Board"

Yours faithfully
Sd/-31.8.2019
Secretary – 3"

Therefore, the only NOC that is issued to M/s Concord India Private Limited is on 31-08-2019 by the Board as averred by the Board in the statement of objections and the document appended to the statement of objections. Therefore, the Board

itself accepts that the 2nd respondent has not sought any NOC for creation of any charge on the schedule property. Even after filing of the present writ petitions, the averment in the additional affidavit filed by the petitioners is that one M/s Indiabulls has filed its disclosure with the National Stock Exchange depicting that the 2nd respondent would become a wholly owned subsidiary of Indiabulls pursuant to the Scheme of Amalgamation which is again in violation of the lease agreement. Even to this there is no consent obtained from the hands of the Board by the 2nd respondent.

18. To all the aforesaid allegations, submissions and contra-submissions, the learned senior counsel for the 2nd respondent would reiterate his submissions that if there is any violation of lease-cum-sale agreement or if this Court finds that there is violation of the lease-cum-sale agreement, it is for the Board to issue a notice and the 2nd respondent to contest the proceedings of the Board, either by justification or availing of such remedy as is available in law.

19. If the afore-narrated facts, glaring enough they are, are noticed, what would emerge is that the Board is silent on the alleged violation of its property that was leased to the 2nd respondent for a particular purpose albeit, on consideration. The purpose is deviated and not stopping at that using the schedule property, the land which belonged to the Board, the 2nd respondent has created several charges on the said property in violation of the terms of lease. In such glaring facts, what is involved is inaction of the Board, a State under Article 12 of the Constitution of India, qua the property that belonged to the Board and the question of locus standi of the person who brings before the constitutional Court such illegality gets blurred as the issue that is brought before the Court masks over the issue of locus.

20. Though there are several judgments relied on by the learned senior counsel appearing for the petitioners and the learned senior counsel representing the 2nd respondent, making reference to them will only add to the bulk of this judgment, in the teeth of the submission made by the learned senior counsel representing the 2nd respondent and the affidavit filed by the Board. To iterate, the Board in its statement of objections quoted supra has stated on oath that it is not aware of any

charge created except the one that is appended to the statement of objections and it also states that action will be taken in accordance with law, for violation of the lease-cum-sale agreement.

21. The learned senior counsel Sri. K.G.Raghavan also accepts that, if the Board issues a notice to it, alleging violation, the 2nd respondent would undoubtedly reply to justify or take necessary action on the said notice. Since the petitioners have brought the issue before this Court and have projected/highlighted the silence of the Board pursuant to which a direction now becomes necessary to be issued to the Board, to take up proceedings against the 2nd respondent, I deem it appropriate to permit the petitioners to participate in the proceedings that would be initiated by the Board against the 2nd respondent.

22. For the aforesaid reasons, I pass the following:

O R D E R

(i) Writ Petitions stand disposed of.

(ii) A mandamus issues to the 1st respondent/Board to initiate action against the 2nd respondent, in accordance with the provisions of the Act, for the alleged violation of the terms and conditions of lease-cum-sale agreement dated 07-06-2007, as expeditiously as possible and at any rate within three months from the date of receipt of a copy of this order and further proceedings shall be regulated in accordance with law.

(iii) The petitioners shall have an opportunity to participate in the proceedings so initiated by the Board against the 2nd respondent.

(iv) Till the conclusion of the proceedings, interim orders, if any subsisting, shall stand continued.

Pending applications, if any, also stand disposed as a consequence."

(Emphasis supplied)

This judgment was tossed before the Division Bench in Writ Appeal Nos.686 and 689 of 2023. The Division Bench passes the following order:

"Heard Sri.K.G.Raghavan, learned Senior counsel appearing on behalf of Sri.Ajesh Kumar S., learned counsel for the appellants, Sri.C.K.Nandakumar, learned Senior counsel appearing on behalf of Sri.Manu Prabhakar Kulkarni, learned counsel for respondent No.1 and Sri.B.V.Sabarad, learned Senior counsel appearing on behalf of Sri.H.L.Pradeep Kumar, learned counsel for respondent No.2.

2. The impugned order dated 16.05.2023 passed in W.P.No.18952/2021 (GM-KIADB) connected with W.P.No.18986/2021 (GM-KIADB) raise common facts and issues for consideration in these appeals. Therefore both these appeals are taken up together for hearing and disposal.

3. The aforesaid writ petitions were filed seeking direction to the respondent-Board to take appropriate action against the appellant No.1 herein for alleged violation of terms and conditions of lease-cum-sale agreement dated 07.06.2007 and for initiating consequent actions thereof.

4. After hearing learned Senior counsel appearing for the respective parties, we are of the opinion that instead of recording detailed reasoning or referring to the facts and submissions and counter submissions in detail, these appeals can be disposed of in view of observations made by the learned Single Judge in paragraph 20 of the impugned order.

5. Learned Single Judge taking note of the submissions made by learned Senior counsel on behalf of the appellant No.1 herein which was arrayed as respondent No.2 in the writ petitions and also taking note of the affidavit filed by Board, has observed that the Board in its statement of objections on oath,

has stated that it was not aware of any charge created and that it would take action in accordance with law. Thus the Board propose to enquire into the matter and it was submitted before this Court that certain factual aspects was not made known to the Board as such Board will conduct enquiry adhering to the provisions of the Act and may initiate action within the stipulated period of three months.

6. In view of the specific stand taken by the Board to enquire into the matter regarding violation of terms of lease on its own, the question of issuing mandamus would not arise. That apart in our opinion there is no need and necessity for the petitioners to participate in the enquiry proceedings to be conducted by the Board.

7. At this juncture, learned counsel for the Board by inviting our attention to the memo filed in this Court submits that during the pendency of the writ petition two notices were issued to the appellant namely notices dated 08.03.2023 and 04.07.2023 and since the writ petition and appeal being disposed of by this Court, the respondent-Board be permitted to withdraw these notices. Accordingly Board is permitted to withdraw these notices with further liberty to the Board to issue fresh comprehensive notice to appellant and others as required adhering to the provisions of law. Needless to state the Board is at liberty to consider the entire material available with the Board in the form of its own records, representations, applications etc.

8. Learned Senior counsel appearing for the appellant on instructions made a statement before this Court that till the enquiry is completed by the Board, the appellant will not create any charge without permission of the Board. This statement is taken as an undertaking to this Court.

In view of the above, appeals are partially allowed by modifying the order of the learned Single Judge as under:

(a) Clause (ii) of the operative portion of the order of the learned Single Judge is modified and respondent No.1/Board is directed to initiate action against the respondent No.2, needless to state as per the provisions of the Act for the alleged violation of terms and conditions of the lease- cum-sale agreement dated 07.06.2007.

(b) The respondent –Board shall conclude the enquiry as expeditiously as possible and not later than four months from today i.e., date of order passed by this Court.

(c) The respondent-Board is at liberty to pass appropriate orders to protect its interest needless to state by adhering to provisions of law.

(d) It is made clear that the respondent-Board shall carry out the exercise of enquiry into the matter without being influenced by the findings and observations made by learned Single Judge in the impugned order. This however shall not affect the rights of the parties to seek appropriate remedy as may be available under law before the competent legal forum.

(d) Clause (iii) and Clause (iv) of the operative portion of the order of the learned Single Judge are deleted."

The Division Bench modifies the order passed by this Bench. Clause (ii) of the operative portion of the order of this Bench was modified and the Board was directed to initiate action against the 2nd respondent and 4 months' time for completion of enquiry was granted. The Board was further directed that the exercise of enquiry should be carried out without being influenced by the observation made by the Division Bench. Pursuant to the disposals of the writ appeals on 26-07-2023, proceedings are initiated *albeit* after delay, by issuing a notice on 10-09-2024. The communication reads as follows:

"No.:KIADB/HO/Allot/AS-143-VOL-VIII/10327/2024-25

Date: 10.09.2024

M/s Embassy East Business Park Pvt Ltd.,
(Formerly known as concord India (P) Ltd.
Embassy Point, 1st Floor,
150, Infantry Road,
Bangalore-560001.

Sub: 34-B Order in respect of 78 Acres and 2219 Sqmtrs of land in Plot NO.06 at Sy. No.01 of Kadugodi Industrial Area, Bengaluru Urban District. - Reg.

Ref: 1. Lease cum sale agreement dtd. 21.09.1979 & 07.06.2007.

2. Order No:KIADB/HO/ALLOT/AS-143-Vol-VII/10301/2024-25, dtd: 03.09.2024

--*-*-

With reference to the above, this is to inform that,, The Chief Executive Office & Executive Member, KIADB, on 03.09.2024 has passed an 34-B Order for land in respect of 78 Acres and 2219 Sqmtrs of land in Plot NO.06 at Sy. No.01 of Kadugodi Industrial Area, Bengaluru Urban District which was allotted to you. A copy of the order dtd. 03.09.2024 is enclosed to this letter for your information.

Yours faithfully,
Sd/-
Secretary - 2

Copy to: The Executive Engineer-2 KIADB, Zonal Office, No.14/3, KIADB Zonal Office, Aravinda Bhavan, NT Road, Bengaluru-560001 for information & further action.

Sd/- 10/9/24
Secretary-2”

The following order is passed by the Board under Section 34-B(3) of the KIADB Act, 1966, in furtherance of the liberty granted by the Division Bench.

"…. …. ….

25. The allottee submitted his reply on 12-01-2024 reiterating the contentions raised in the statement of objections already filed and denied the various breaches alleged in the notice.

26. Notice u/s 34-B(3) was issued on 01-02-2024, the allottee along with his team of lawyers appeared before the CEO & EM, KIADB, submitted the records and written submissions. It is contended bin the written submissions that-

a) The KIADB was requested to sanction the plan as per the request letter of the Company dated 14-12-2019, 23-05-2022, 19-10-2023 and 12-12-2023.

b) The Company will able to commence the construction Within 1 year of the plan sanction being issued by the KIADB.

c) There is no violation of the Agreement from the Company's side.

d) The Company has borrowed loans and has paid a sum of INR 840 crores (Rupees Eight hundred forty crores) to NAM Estates Private Ltd., and they are ready to commence development the moment the plan is sanctioned by the KIADB. M/s. NAM Estates Private Ltd. was awarded the turnkey contract for civil core and shell and finishing works and also turnkey contract for supply installation of plant and machinery. and

e) The following pre-construction activities have been undertaken:

i. Site Cleaning/Clearing Debris of the Land

ii. Deployment of Security personnel / Construction of Security Sheds

iii. Securing Approvals from the concerned Authorities.

f) The Company submitted and stated it has complied with each and every term and condition. Company has requested KIADB to sanction the plan so that the Company can commence its development on the subject land.

27. In the enquiry, having considered the statement submitted by the allottee during the hearing and the report submitted by the Executive Engineer, the arguments, the records and examining the replies and written submissions submitted by the allotee the following facts are to be observed:

a. The allottee defended the title of the Board to the allotted property from 2008 as against the Forest Department till 19.11.2020.

b. The Allottee has submitted an application to the Board for approval for undertaking the project as on 23.05.2022. Thereafter once again on 12-12-2023 by securing all the approval from the concerned authorities. Further allottee undertakes to commence the construction within 1 year, if the plan sanction being issued by the Board. However, the plan sanction is pending with the Board.

c. The allottee has borrowed the loans with prior approvals of the NOC's of the Board dated 03-07-2007 & 31-08-2019..

d. The allottee have been undertaken site/cleaning/clearing debris of the lands and deployment of security personnel/construction of the security sheds.

e. The Board recognising the above, has executed the Rectification Deed dated 21-04-2008 and Supplementry Deed 15-01-2021 granting time upto 06-06-2029 to complete the project.

f. The allottee has undertaken to commence the project immediately and assured that the project will be completed as soon as possible.

28. In view of the forgoing observations, I am of the considered view to extend the time of 2 years to commence the project by the allottee on the condition that an undertaking be given by the allottee that all the monies taken as loan as against this property will be utilised for completing the proposed project by the allottee. Hence, I passed the following order:

ORDER

In exercise of the powers conferred u/s. 34-B, the time for implementation of the project in Plot. No:06 Kadugodi Industrial Area comprised in SY.No:01 within the village limits of Kadugodi Plantation Bidarahalli Hobli Bengaluru East Taluk measuring 78 Acres and 2219 Sqmtrs is hereby extended by two years from the date of the approval of the sanctioned plan subject to withdrawal of the Com OS.No:71/2024 before the XI th Additional District and Sessions Judge Bengaluru Rural District (Commercial Court) at Bengaluru. All other terms and conditions of the Lease Cum Sale Deed dated 07-06-2007 shall remain unaltered.

Send this order to the allottee through Registered Post Receipt (RPAD).

This order is pronounced today dated: 03.09.2024

Sd/-
(Dr. Mahesh.M, IAS)
Chief Executive Officer
& Executive Member."

(Emphasis added)

11. Against this, springs the second set of petitions by these petitioners in Writ Petition Nos.25857 of 2024 c/w 25851 of 2024. A coordinate Bench, by a detailed order dated 30-10-2024, rejects the petition on the ground of want of *locus*. Identical submissions were projected by the respective parties. I, therefore, deem it appropriate to notice the entire order and it reads as follows:

> "The petitioners are before this Court seeking a writ in the nature of Certiorari to quash the order No. KIADB/HO/Allot/AS-143-Vol. VII/10301/2024-25, dated 03.09.2024, issued by respondent No.1 - Karnataka Industrial Areas Development Board (KIADB) under Section 34-B(3) of the Karnataka Industrial Areas Development Act, 1966 ("KIAD Act"). Through this order, the time for implementing the infrastructural project on the scheduled property, allotted to respondent No. 2 under a Lease-cum-Sale Deed dated 07.06.2007, was extended by two years from the date of approval of the sanctioned plan.
>
> 2. The petitioners contend to be 50% shareholders of Concord India Private Limited ('CIPL'), the predecessor entity of respondent No. 2, M/s. Embassy East Business Parks Pvt. Ltd. ('Allottee'). The petitioners assert that they acquired shareholding rights by making a payment of INR 9,25,00,000/- with the objective of jointly developing the scheduled property as a marquee asset. The agreement between the petitioners and respondent No. 2 is subject to ongoing disputes and is currently contested before appropriate forums.
>
> 2.1. The scheduled property described below was allotted to respondent No. 2 on a Lease-cum-Sale basis, with an initial lease period of 11 years for establishing infrastructure facilities for MNTC IT & ITES companies. On 21.01.2008, respondent No. 1 - KIADB, executed a Rectification Deed extending the lease period from 11 to 20 years.

2.2. Subsequently, upon the request of respondent No. 2, a Supplementary Agreement dated 15.01.2021 extended the lease term by an additional 11 years, from 07.06.2018 to 06.06.2029.

> The scheduled property is "all that piece and parcel of Plot No.6, Kadugodi Industrial Area, comprised in Sy. No. 1, Block 73, within the village limits of Kadugodi Plantation, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru, measuring 78 acres and 2219 sq.mtrs., bounded:
>
> East - Agricultural Land
> West - Herbert India Ltd. and KIADB Road
> North - Agricultural Land and Part of Sy. No. 1
> South - Bangalore-Whitefield Main Road."

3. Upon execution of the Lease-cum-Sale Agreement on 16.04.2008, certain proceedings were initiated by the State, asserting that the scheduled property constituted forest land. This contention, however, became the subject of litigation before this Court in W.P. No. 7200/2008, wherein a coordinate Bench rejected the State's claim, vide order dated 25.05.2012. This decision was reaffirmed in W.A. No. 4283/2012, dated 23.07.2019, and the matter ultimately concluded in 2020 with the dismissal of the Special Leave Petition (SLP) filed by the State before the Apex Court.

4. Subsequently, the present petitioners again approached this Court in W.P. No. 18986/2021, connected with W.P. No. 18952/2021, dated 16.05.2023, challenging the creation of nine charges over the scheduled property by respondent No. 2 - Allottee from 07.06.2007 until the dismissal of the SLP, without obtaining consent from respondent No. 1 - KIADB. The petitioners sought a Writ of Mandamus, directing KIADB to take appropriate action against the Allottee for violating the terms of the Lease-cum-Sale Agreement dated 07.06.2007, including initiating proceedings under Sections 34 and 38 of the KIAD Act, 1966.

5. The coordinate Bench, vide order dated 16.05.2023, observed that respondent No. 2 - Allottee had indeed violated the terms of the Lease-cum-Sale Agreement dated 07.06.2007 by creating nine charges over the scheduled property without the consent of the KIADB. Taking cognizance of the submissions of the respondent No. 1-KIADB, to take appropriate action in accordance with law for the violation of the Agreement, and recognizing that the petitioners had highlighted KIADB's inaction regarding the misuse of the allotted public property, the Single Bench allowed the petition, permitting the petitioners to participate in the proceedings to be initiated by respondent No. 1 - KIADB under Section 34 and 38 of the KIAD Act , 1966.

6. Aggrieved by this order, respondent No. 2 - Allottee and others filed an appeal in W.A. No. 686/2023, connected with W.A. No. 689/2023, dated 26.07.2023, against the petitioners and respondent No. 1 - KIADB. The Division Bench of this Court modified the Single Bench's order, stating that, given the specific undertaking by KIADB to investigate the alleged violations independently, a Mandamus was unnecessary. The Division Bench further opined that "no need and necessity" existed for the petitioners to participate in the KIADB's inquiry proceedings and directed that the said inquiry be concluded within four months.

The Division Bench also noted that respondent No. 1 - KIADB was at liberty to issue appropriate orders according to law to protect its interests, uninfluenced by the findings and observations of the Single Bench.

7. Pursuant to the order dated 26.07.2023 passed by the Division Bench, respondent No. 1 conducted an inquiry and issued an order dated 03.09.2024 under Section 34-B(3) of the KIAD Act, 1966, extending the timeline for implementing the infrastructural project on the scheduled property by two years from the date of approval of the sanctioned plan.

8. Aggrieved by this development, the petitioners are before this Court, seeking to quash the impugned order on the grounds that it is vitiated by malice, lacks reasonable or probable cause, and is, therefore, ultra vires Section 34-B of the KIAD Act, 1966.

9. Learned Senior Counsel, Sri S. Poovayya, representing counsel for the petitioner, Sri Manu Prabhakar Kulkarni in W.P. No. 25851/2023, and Shri C.K. Nandakumar, representing counsel for the petitioner, Sri Manu Prabhakar Kulkarni in W.P. No. 25857/2023, have argued that despite a finding by the Single Bench vide order dated 16.05.2023 that Respondent No. 2 – Allottee had violated the terms of the Lease-cum-Sale Agreement dated 07.06.2007 by creating nine charges over the scheduled property without the consent of Respondent-KIADB, and despite the specific submission by KIADB before the Division Bench in W.A. No. 686/2023 and connected matters to investigate the alleged violations and pass appropriate orders in accordance with law, Respondent-KIADB has made an inexplicable volte-face. It has issued the impugned order, extending the continuing leasehold rights over the scheduled property while overlooking the violations of the Lease Agreement dated 07.06.2007.

9.1 The learned Senior Counsels primarily contended that the impugned order issued by Respondent-KIADB was exercised based on extraneous and irrelevant considerations. The order granting continued leasehold to Respondent No. 2 – Allottee neither provides adequate explanations or clarifications from the Allottee regarding the charges created over the scheduled property nor offers any undertaking or corrective action to remedy the breaches of the Lease-cum-Sale Agreement dated 07.06.2007. The learned Senior Counsels further brought to the Court's attention a discrepancy in the dates within the impugned order—appearing as 10.09.2024 at the start and as 03.09.2024 in the operative portion—and contended that this inconsistency indicates an improper and irregular exercise of statutory authority.

9.2 Furthermore, the learned Senior Counsels argued that the scope of the present petitions is limited to protecting the inchoate right of the petitioners concerning their 50% shareholding interest in Respondent No. 2 – Allottee, which is currently under consideration before the appropriate forum. The learned Counsels further submit that these petitions were filed to prevent the Allottee from dissipating the scheduled property to the detriment of the petitioners, as has previously occurred through mortgage/creation of charges over the property by the Allottee in favour of third parties, without the consent of KIADB

and in violation of the Lease-cum-Sale Agreement dated 07.06.2007. Therefore, the extension of continued leasehold rights to the Allottee in respect of the scheduled property leaves the petitioners' inchoate rights unprotected. Consequently, the impugned order is arbitrary, unreasonable, and liable to be quashed.

In support, reliance is placed upon the following:

(An order passed by a quasi-judicial authority must be supported by adequate and cogent reasoning)

1. A.K. Kraipak v. Union of India, (1969) 2 SCC 262 - para 13

2. Union of India v. Mohan Lal Capoor, (1973) 2 SCC 836 - para 28

3. Siemens Engg. & Mfg. Co. of India Lts. v. Union of India, (1976) 2 SCC 981- para 6

4. Indian National Congress (I) v. Institute of Social Welfare, (2002) 5 SCC 685 - paras 21 to 28

5. Kranti Associates (P) Ltd. v. Masood Ahmed Khan, (2010) 9 SCC 496 - para 47

6. State of Gujarat v. Gujarat Revenue Tribunal Bar Assn., (2012) 10 SCC 353- para 18

(The words "as it seems fit" must be read in context of the provision and not in isolation)

7. Raja Ram Mahadev Paranjype v. ABA Maruti Mali, 1962 Supp (1) SCR 739- para 14

8. Reserve Bank of India v. Peerless General Finance & Investment Co. Ltd., (1987) 1 SCC 424- para 33

9. Balasinor Nagrik Coop. Bank Ltd. v. Babubhai Shankerlal Pandya, (1987) 1 SCC 606- para

(Instrumentalities of State must act fairly and without ill will or malice)

10. Kalabharati Advertising v. Hemant Vimalnath Narichania, (2010) 9 SCC 437 - para 25

(Unreasonableness is akin to violation of natural justice)

11. National Buildings Construction Corpn. v. S. Raghunathan, (1998) 7 SCC 66 para 18

12. NOIDA Entrepreneurs Assn. v. NOIDA, (2011) 6 SCC 508- paras 39 to 41

(The Petitioner is a person aggrieved by the impugned order and has locus standi to file this Writ Petition)

13. Gadde Venkateswara Rao v. Govt. of A.P., 1965 SCC OnLine SC 25- para 8

14. Pamidimarri Chenchulakshamma v. Estates Abolition Tribunal Nellore 1970 SCC OnLine AP 79- para 17

15. Jasbhai Motibhai Desai v. Roshan Kumar, Haji Bashir Ahmed, (1976) 1 SCC 671- paras 34, 35

16. Fertilizer Corpn. Kamgar Union v. Union of India, (1981) 1 SCC 568- para 48

17. Shivajirao Nilangekar Patil V. Mahesh Madhav Gosavi, (1987) 1 SCC 227- para 36

18. Indian Banks' Assn. v. Devkala Consultancy Service (2004) 11 SCC 1- para 34

19. Bangalore Medical Trust v. B.S. Muddappa, (1991) 4 SCC 54- para 35

20. Hari Krishna Kanoi v. Appropriate Authority, (1994) 207 ITR 743- paras 48, 49, 50, 60, 61 and 62

21. Ghulam Qadir v. Special Tribunal, (2002) 1 SCC 33- para 38

22. Bannari Amman Sugars Ltd. v. CTO, (2005) 1 SCC 625- para 8

23. Arjunappa vs. State of Karnataka and others, Writ Petition No. 49958 of 2019- para 14

24. Reddy Veeranna vs. Jitendra Virwani and others, Commercial Appeal No. 325 of 2022- para 13

25. D.D. Basu, Commentary on the Constitution of India, Eighth Edn., pg. 8086 to 8088

10. Sri Sashikiran Shetty, learned Senior Counsel appearing for Respondent No.1 – KIADB, argued that the impugned order was passed in pursuance of the order dated 26.07.2023 in W.A. No. 686/2023 and connected matters, and is in consonance with the provisions of Section 34-B of the KIADB Act, 1966. He further contended that the impugned order was issued after due deliberation and is a reasoned order. Therefore, given the settled principles of judicial review and the limited scope of supervisory jurisdiction under Article 226, this Court cannot assume appellate jurisdiction and issue a writ of Certiorari unless the impugned order is shown to be arbitrary and irrational, or if the findings of the Board were vitiated by a lack of substantial evidence.

10.1. Further rebutting the contentions of the petitioners, the learned Senior Counsel submitted that the impugned order was passed on 03.09.2024 and that this order was provided under an RTI application filed by the petitioner, with an endorsement dated 10.09.2024. He contended that there is no issue of irregularity or impropriety in passing the order due to any purported discrepancy in its dates.

11. Learned Senior Counsel, Sri K.G. Raghavan, representing the counsel for Respondent No.2 and others, Sri Ajesh Kumar, argued that the petitioners lack locus standi to bring forth these petitions due to the order dated 26.07.2023 in W.A. No. 686/2023 and connected matters, where the Division Bench modified the observations of the Single Bench and held that the petitioners were not necessary parties to the inquiry and investigation into alleged violations of the Lease-cum-Sale Agreement by KIADB.

11.1. He further submitted that the petitioners' claim to be aggrieved due to prejudice caused to their inchoate right of a 50% shareholding in the Allottee entity is without merit, as it is settled law that a shareholder cannot assert any right over the assets of a company based on a purported interest in those assets.

11.2. Nevertheless, he submitted that the impugned order is to the petitioners' benefit, subject to the outcome of the commercial suit for declaration and injunction of their inchoate rights, pending before the Commercial Court, Bengaluru, in O.S. No. 234/2022.

11.3. Therefore, he contended that the petitioners lack the locus standi to seek a writ of certiorari against the order passed by Respondent No.1 – KIADB under Section 34-B(3) of the KIADB Act, 1966.

In support, he places reliance upon the following:

1. Nagar Rice and Flour Mills and Ors. v. N. Teekappa Gowda & Bros. and Ors. (1970) 1 SCC 575
2. Bacha F. Guzdar, Bombay v. Commissioner of Income Tax, Bombay (1955) 1 SCR 876
3. Ayaaubkhan Noorkhan Pathan v. State of Maharashtra (2013) 4 SCC 465
4. Ravi Yashwant Bhoir v. District Collector, Raigad and Ors. (2012) 4 SCC 407

13. After carefully considering the submissions of the learned counsels, and a close review of the materials on record and the Division Bench's order dated 26.07.2023, it appears that the primary issue for consideration is whether the petitioners have the locus standi to file the present petitions challenging the order dated 03.09.2024 issued by Respondent No.1, alleging it to be ultra vires of the KIAD Act, 1966.

14. The facts leading up to the issuance of the impugned order are sufficiently detailed in the previous paragraphs and need not be repeated. It is necessary, however, to examine the substance and reasoning behind the impugned order to assess the petitioners' standing in the matter.

15. In compliance with this Court's order in W.A. No. 686/2023, connected with W.A. No. 689/2023, dated 26.07.2023, Respondent No.1 – KIADB had issued a comprehensive notice under Section 34-B(1), directing Respondent No.2 – Allottee to remedy the breaches identified by the Single Bench and to provide the necessary explanation and information.

16. The impugned order dated 03.09.2024, passed under Section 34-B(3) of the KIAD Act, 1966, outlines the clarifications, explanations, and commitments provided by Respondent No.2 – Allottee. The order, specifically in paragraph nos. (27) and (28), details the grounds that led KIADB to grant the Allottee a two-year period from the date of plan sanction to implement the Project development. A summary of the key points are as follows:

i. The first mortgage/charge on the scheduled property, created on 06.06.2007 in favour of HDFC Bank Ltd., was against a loan of INR 39,26,47,727, which was the amount paid for the property allotment. The Allottee obtained the required NOC from Respondent No.1 – KIADB.

ii. A mortgage/charge dated 22.07.2021 was created on the scheduled property in favour of Indiabulls Housing Finance (the successor to the lender, M/s. Samman Capital, is arrayed herein as Respondent No.6 in W.P. No. 25851/2024 and Respondent No.4 in W.P. No. 25857/2024), against a loan of INR 840 crores, used as a payment to M/s. NAM Estates Pvt. Ltd. as part of the Allottee's liability for project development. If the project does not proceed after obtaining plan sanction, M/s. NAM Estates is liable to repay the loan to the Allottee.

iii. The Allottee has provided an undertaking that all funds borrowed against the scheduled property will be used exclusively for the sanctioned project.

iv. The Allottee requested that KIADB approve the plan in line with their latest letter dated

12.12.2023, and committed to begin construction within one year of receiving plan approval.

v. Pre-construction activities have commenced, including debris clearing, securing necessary permits, and awarding a turnkey contract for civil works and machinery supply to M/s. NAM Estates Pvt. Ltd.

vi. Since 2008, the Allottee has defended KIADB's title to the scheduled property against claims by the Forest Department, concluding on 19.11.2020.

vii. KIADB executed a Rectification Deed dated 21.01.2008 and a Supplementary Agreement dated 15.01.2021, extending the Allottee's leasehold rights over the property until June 2029.

15. Given the above facts, it is necessary to address the issue of the petitioners' locus standi.

16. The petitioners are shareholders of Respondent No.2 –Allottee, a fact under dispute and currently under review by the lower courts. Through these petitions, they seek limited relief to protect their 'inchoate rights' in the scheduled property and prevent any dissipation of the property, which could harm their interests through creation of further charges on the property.

17. The petitioners contend that the continued grant of leasehold and ownership of the scheduled property by the KIADB to Respondent No.2 - Allottee as reflected in the impugned order, undermines their rights. They argue that this grant was issued despite a finding by the Single Bench on 16.05.2023 that the Allottee violated the terms of the Lease-cum-Sale Agreement dated 07.06.2007, and despite the KIADB's commitment to take appropriate action if there were any violations. The petitioners assert that their rights in the scheduled property remain unprotected and at risk, especially in light of past incidents where charges were created over the property without the knowledge of KIADB, in violation of the Agreement dated 07.06.2007.

18. Consequently, the petitioners argue that the impugned order of 03.09.2024, passed by Respondent No.1-KIADB under Section 34-B(3) of the KIAD Act, 1966, which extends the time for implementing the Project development on the scheduled property by two years from the date of approval of the sanctioned plan is arbitrary, illegal, and unreasonable. Thus, they seek to quash this order and revoke the allotment made in favour of Respondent No.2.

19. It is noteworthy that the observation in the Single Bench's order dated 16.05.2023, which stated that 'the question of locus standi of a party bringing an instance of State inaction regarding a breach of the Lease-cum-Sale Agreement by an allottee of a public property is secondary to the issue of illegality presented before the Court,' was diluted and modified by the Division Bench in W.A. No. 686/2023 connected with W.A. No. 689/2023, D.D. 26.07.2023. In that order, the Division Bench clarified that the petitioners were not necessary parties to the KIADB's inquiry proceedings and permitted the KIADB to take appropriate actions without being influenced by the Single Judge's findings and observations. Accordingly, the petitioners' locus standi, if any, was negated by the Division Bench's order dated 26.07.2023.

20. Additionally, records show that the petitioners have filed a commercial suit, O.S. No. 234/2022, against Respondent No.2 and others before the Commercial Court, Bengaluru, seeking a declaration of their 50% equity shareholding in Respondent No.2 - Allottee and a permanent injunction to prevent the Allottee and others from creating third-party rights or charges over the scheduled property, in respect of their 50% claimed interest. In essence, the relief sought by the petitioners in O.S. No. 234/2022 contradicts the relief sought in the present petitions. Thus, the impugned order granting continued leasehold rights to Respondent No.2 over the scheduled property appears to benefit the petitioners, as revoking the allotment would render their suit for declaration and injunction meaningless and likely dismissed as infructuous. Furthermore, as previously noted, the KIADB extended the Allottee's leasehold rights in view of the Allottee's categorical undertaking that all

borrowings secured against the scheduled property would be used for the sanctioned Project development.

21. In light of the petitioners' contentions in a prior round of litigation before this Court, and a combined reading of their prayer in the commercial suit and the present petitions, it may be reasonably inferred, absent evidence to the contrary that the petitioners are attempting to gain an unfair advantage over Respondent No.2 - Allotee in their ongoing business negotiations by filing these petitions.

22. The petitioners have sought to place reliance upon a catena of decisions buttressing their contention of being an aggrieved person and therefore, possessing adequate locus to assail the order impugned herein. However, the order of the Division Bench dated 26.07.2023 and the relief sought for by the petitioners in the commercial suit in O.S. 234/2022 shall render any reference to the precedents relied upon by the petitioners, irrelevant and inconsequential in the adjudication of the present petitions.

23. It is a settled principle of law that only an aggrieved person can invoke the extraordinary writ jurisdiction of High Courts under Article 226 of the Constitution of India. An aggrieved person as opined in by the English Court of Appeal in the case of Re Sidebothem (1880) 14 Ch D 458 : 42 LT 783 does not mean any individual who is "disappointed of a benefit which he might have received if some other order had been made" but a person who has suffered a legal grievance so as to constitute wrongful deprivation of an enforceable legal right.

24. The jurisprudence regarding the locus standi of the petitioners in seeking a writ of Certiorari is well settled. It was held by the English Court of Appeal in the case of R. v. Paddington Valuation Officer, ex. p., Peachey Properties Corporation (1966) 1 QB 380, at 401, that Courts "would not listen of course to a mere busybody who was interfering in things which did not concern him". In R. v. Thames Magistrates Courts, ex. P., Greenbaum,

(1957) 55 LGR 129, the Court of Appeal had held that Courts retained the discretion to refuse any such application if the conduct was such as to disentitle the petitioner to relief, despite the petitioner having established any of the recognised grounds for quashing.

25. Pertinently, it was held by the High Court of Australia in the case of Permanent Trustee Co. of New South Wales v. Campbelltown Corpn., (1960) 105 CLR 401, that Courts would hardly ever exercise its discretion in favour of an applicant who had himself instituted the proceedings or benefitted from the order impugned in the petition.

26. In addition to the negation of the locus of the petitioners herein by the order of the Division Bench dated 26.07.2023, the Hon'ble Apex Court has held in the case of Bacha F. Guzdar, Bombay v. Commissioner of Income Tax, Bombay (1955) 1 SCR 876, that the rights of the shareholders in the company does not amount to more than a right to participate in the profits of the company and that it does not stretch to having any share in the property of the company. The Court further held that a company is a juristic person and is distinct from the shareholders. Therefore, it is a settled law that a shareholder does not possess a right to over the assets of the company as a whole.

27. The Hon'ble Supreme Court as far back as in the case of State of Orissa v. Ram Chandra Dev (1964) 5 SCR 811 has held that before a writ or an appropriate order can be issued under Article 226 of the Constitution, it must be established that the party has a right and the said right is "illegally invaded or threatened. The existence of a right is thus the foundation of a petition under Article 226."

28. Furthermore, it has been held in the case of Jasbhai Motibhai Desai v. Roshan Kumar (1976) 1 SCC 671 by the Hon'ble Supreme Court that where a person has not sustained an injury to any legally protected interest and has not been subjected any legal wrong or has suffered wrongfully any legal grievance, such person

is not a 'person aggrieved' to invoke the extraordinary jurisdiction of a writ Court. It further observed that however, in exceptional cases where an act or omission of an authority prejudicially affected a stranger or a person who was not a party to the proceedings before the authority, but had a substantial or genuine interest in the subject matter of the proceedings, Courts may allow applications under Article 226 to avoid miscarriage of justice.

29. It was further observed by the Hon'ble Apex Court in the case of Ghulam Quadir v. Special Tribunal, (2002) 1 SCC 33, that rights under Article 226 of the India Constitution can be enforced only by an aggrieved person except in the case of where writ prayed for is habeas corpus and quo warranto.

30. Furthermore, the Apex Court has opined in the case of the Ayaayubkhan Noorkhan Pathna v. State of Maharashtra & Ors. (2013) 4 SCC 465 that existence of the legal right sought to be enforced is a condition precedent for invoking the writ jurisdiction of the courts. It further upheld the ratio enunciated in the case of Ravi Yashwant Bhoir v. District Collector, Raigad & Ors. (2012) 4 SCC 407, that "under the garb of being a necessary party, a person cannot be permitted to make a case as that of general public interest. A person having remote interest cannot be permitted to become a party in the lis, as the person who wants to become a party in a case, has to establish that he has a proprietary right which has been or is threatened to be violated, for the reason that a legal injury creates a remedial right in the injured person."

31. In conclusion, where the locus of the petitioners herein (who are the disputed shareholders of Allottee) before the proceedings of the KIADB against the Allottee in respect of the violations of the Lease Agreement dated 07.06.2007 was negated by virtue of the order dated 26.07.2023 passed by the Division Bench of this Court, the petitioners herein do not have the locus standi to lay a challenge to an order passed in pursuance of the order dated 26.07.2023, under the garb of espousing public

interest by calling attention to State inaction qua unjust enrichment. Furthermore, it is well settled that interested persons are not entitled to file public interest litigations.

32. A bare perusal of the order impugned herein, which grants an extension of a period of two years from the date of obtaining of plan sanction to implement the Project development over the scheduled property, reveals that it enures to benefit of the petitioners herein, provided they succeed in the pending litigations. It may thus, be reasonably inferred that the instant petitions have been preferred by the disputed shareholders of the Allottee entity solely to gain unfair advantage, settle personal scores and coerce the Allottee to arrive at a settlement in respect of their dispute, which is currently pending consideration before the Trial Court below. Therefore, the petitioners cannot contend to have suffered any legal injury and be allowed to seek a writ in the nature of Certiorari to quash the order impugned herein.

Accordingly, the petitions stand dismissed on the sole ground of lack of locus standi."

(Emphasis supplied)

The coordinate Bench holds that a bare perusal at the impugned order therein granting two years from the date of obtaining plan sanction to implement the project over the schedule property reveals that it enures to the petitioners herein, provided they succeed in the pending litigation. Therefore, the coordinate Bench holds that the instant petitions were filed by the disputed share holders of the allottee entity solely to gain unfair advantage, settle

personal scores and coerce the allottee to arrive at a settlement in respect of their dispute, which is currently pending consideration before the trial Court. Thus, the coordinate Bench holds that the petitioners cannot contend that they have suffered any legal injury, which would allow them to seek a writ in the nature of certiorari to quash the impugned order therein. The coordinate Bench considers the entire spectrum of law *qua* the *locus*.

12. Writ Appeals are preferred in Writ Appeal Nos.1772 of 2024 c/w 1797 of 2024. In the writ appeals the grounds urged are identical to what is now projected in the case at hand. The Division Bench has passed an interim order in the said writ appeals. It reads as follows:

> "ORAL ORDER
>
> (PER: HON'BLE THE CHIEF JUSTICE
> MR. JUSTICE N. V. ANJARIA)
>
> The Court had an occasion to pass the order on 20.01.2025 observing that having regard to the nature of the disputes involved in these appeals and the subject matter thereof, the parties may take instructions as to whether they would opt for undergoing the mediation process to resolve the disputes.
>
> 2. Statement of learned Senior Advocate Mr. C.K. Nandakumar for the appellant was recorded that the appellant

was willing to opt for mediation. As learned Senior Advocate Mr. K.G. Raghavan for respondent No.2 wanted to take instructions, the two writ appeals were ordered to be posted today.

3. Today, it was stated by learned Senior Advocate for respondent No.2 that respondent No.2 is also agreeable to go for mediation for the purpose of resolution of the disputes. Learned Senior Advocate for respondent No.2 however submitted that the disputes which are referable and arise from the proceedings of Original Suit No.234 of 2022 pending before the Commercial suit should be made subject matter of Mediation. Learned Senior Advocate for the appellant has no objection who stated that the mediation may be confined to the disputes involved in Original Suit No.234 of 2022.

4. In the second place, both the sides jointly submitted that they may be permitted to request Hon'ble Mr. Justice R.V.Raveendran, Former Judge, Supreme Court of India to act as a private mediator on behalf of the parties. It will be permissible for both the sides to extend a request to Hon'ble Mr. Justice R.V.Raveendran in an appropriate manner, to act as a mediator.

5. In view of the above, the subject matter as mentioned above is referred to the mediation. Since the disputes primarily are between the appellant and respondent No.2, the said two parties shall engage themselves in mediation.

6. Learned advocates for the parties through their learned Senior Advocates have further agreed that since they are undertaking the process of mediation for resolving the dispute as above, Original Suit No.234 of 2022 shall not proceed further and that both the sides shall not take any precipitative action in relation to the subject matter during the pendency of the mediation. It is so directed in view to provide equitable and congenial platform for the mediation process.

7. In addition to the above, the observations made in the order dated 20.01.2025 inter alia that respondent No.2 shall abide by all the conditions of the lease-cum-sale agreement including Condition No.11(b) shall also operate.

> Both the appeals are adjourned. They shall be listed next upon a note filed by either of the parties before the Registry."

Mediation to resolve the dispute was directed by the Division Bench. The mediation is said to have failed. The 2nd respondent then applied before the Board seeking sub-letting of the property allotted to it to the 3rd respondent. The Board permits and after the permission sub-lease is entered into between the 3rd respondent/Lam Research (India) Private Limited and the 2nd respondent. The petitioners now challenge the same before this Court.

13. If two circumstances were in favour of the petitioners, it would have been altogether different. The judgment rendered by this bench holding that the petitioners had *locus* is diluted by the Division Bench. It is modified on a submission made by the Board that it is willing to conduct an enquiry and two years extension is granted to implement the project. The petitioners again challenged the said communication before the coordinate Bench. The coordinate Bench has clearly held that the petitioners have no *locus* to challenge the private transaction between the Board and the 2nd

respondent. The said judgment is neither stayed nor reversed as on today, *albeit*, the Division Bench has directed mediation for settlement of dispute between the parties. Nonetheless, the judgment rendered by the coordinate Bench, which is subsequent to what was rendered by this bench would be binding upon this Bench.

14. In the light of the entire spectrum of law considered by the coordinate Bench *qua locus*, repeating those judgments in the cases at hand would only bulk the subject order. The judgments relied thereon are again pressed into service in the case at hand. Therefore, all would depend upon the Division Bench's order challenging the order of the coordinate Bench in the aforesaid writ appeals. If the petitions are entertained notwithstanding the judgment of the coordinate Bench, it would run foul of the settled principle of judicial discipline that coordinate bench judgments are binding on subsequent benches of equal or lesser strength. The

Apex Court in **DR. SHAH FAESAL v. UNION OF INDIA**[1] – elucidates the law on this issue as follows:

"…. …. ….

> **23. This brings us to the question, as to whether a ruling of a coordinate Bench binds subsequent coordinate Benches. It is now a settled principle of law that the decision rendered by a coordinate Bench is binding on the subsequent Benches of equal or lesser strength.** The aforesaid view is reinforced in the National Insurance Co. Ltd. v. Pranay Sethi [National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680 : (2018) 3 SCC (Civ) 248 : (2018) 2 SCC (Cri) 205] wherein this Court held that : (SCC pp. 713-14, para 59)
>
> > "59.1. The two-Judge Bench in Santosh Devi [Santosh Devi v. National Insurance Co. Ltd., (2012) 6 SCC 421 : (2012) 3 SCC (Civ) 726 : (2012) 3 SCC (Cri) 160 : (2012) 2 SCC (L&S) 167] should have been well advised to refer the matter to a larger Bench as it was taking a different view than what has been stated in Sarla Verma [Sarla Verma v. DTC, (2009) 6 SCC 121 : (2009) 2 SCC (Civ) 770 : (2009) 2 SCC (Cri) 1002] , a judgment by a coordinate Bench. It is because a coordinate Bench of the same strength cannot take a contrary view than what has been held by another coordinate Bench."
> >
> > (emphasis supplied)
>
> **24.** The impact of non-consideration of an earlier precedent by a coordinate Bench is succinctly delineated by Salmond [Salmond on Jurisprudence [P.J. Fitzgerald (Ed.), 12th Edn., 1966], p. 147.] in his book in the following manner:
>
> > "… A refusal to follow a precedent, on the other hand, is an act of coordinate, not of superior, jurisdiction. Two courts of equal authority have no power to overrule each other's decisions. Where a precedent is merely not followed, the result is not that the later authority is substituted for the earlier, but that

[1] **2020 (4) SCC 1**

> the two stand side by side conflicting with each other. The legal antinomy thus produced must be solved by the act of a higher authority, which will in due time decide between the competing precedents, formally overruling one of them, and sanctioning the other as good law. In the meantime the matter remains at large, and the law uncertain."
>
> (emphasis supplied)

25. In this line, further enquiry requires us to examine, to what extent does a ruling of coordinate Bench bind the subsequent Bench. A judgment of this Court can be distinguished into two parts : ratio decidendi and the obiter dictum. The ratio is the basic essence of the judgment, and the same must be understood in the context of the relevant facts of the case. The principal difference between the ratio of a case, and the obiter, has been elucidated by a three-Judge Bench decision of this Court in Union of India v. Dhanwanti Devi [Union of India v. Dhanwanti Devi, (1996) 6 SCC 44] wherein this Court held that : (SCC pp. 51-52, para 9)

> "9. … It is not everything said by a Judge while giving judgment that constitutes a precedent. The only thing in a Judge's decision binding a party is the principle upon which the case is decided and for this reason it is important to analyse a decision and isolate from it the ratio decidendi. … A decision is only an authority for what it actually decides. … The concrete decision alone is binding between the parties to it, but it is the abstract ratio decidendi, ascertained on a consideration of the judgment in relation to the subject-matter of the decision, which alone has the force of law and which, when it is clear what it was, is binding. It is only the principle laid down in the judgment that is binding law under Article 141 of the Constitution."
>
> (emphasis supplied)

26. The aforesaid principle has been concisely stated by Lord Halsbury in Quinn v. Leathem [Quinn v. Leathem, 1901 AC 495 (HL)] in the following terms: (AC p. 506)

> "… that every judgment must be read as applicable to the particular facts proved, or assumed to be proved, since the generality of the expressions which may be found there are not intended to be expositions of the whole law, but governed and qualified by the particular facts of the case in which such expressions are to be found. The other is that a case is only an authority for what it actually decides."
>
> (emphasis supplied)

> **27. Having discussed the aspect of the doctrine of precedent, we need to consider another ground on which the reference is sought i.e. the relevance of non-consideration of the earlier decision of a coordinate Bench. In the case at hand, one of the main submissions adopted by those who are seeking reference is that, the case of Sampat Prakash [Sampat Prakash v. State of J&K, AIR 1970 SC 1118] did not consider the earlier ruling in Prem Nath Kaul [Prem Nath Kaul v. State of J&K, AIR 1959 SC 749]."**
>
> (Emphasis supplied)

The aforesaid five Judge Bench judgment clearly draws as to when and how the judgment rendered by the coordinate Bench would be binding upon the subsequent benches of equal strength or otherwise. Insofar as the judgments relied on by the learned senior counsel for the petitioners, all of which need not bear any consideration in the case at hand, as this Court is bound by what is decided by the Coordinate Bench.

15. For the aforesaid reasons, on the score that the petitioners do not have *locus* to call in question every action between the 1st respondent/Board and the 2nd respondent/allottee, for the very reasons rendered by the coordinate Bench, the petitions are to be rejected.

16. If the petitioners are found wanting in *locus*, it is settled principle of law that they cannot be heard on merits. In that light, the petitions stand ***rejected.***

Consequently, interim order of any kind subsisting, shall stand dissolved.

Sd/-
(M.NAGAPRASANNA)
JUDGE

bkp
CT:MJ