IN THE HIGH COURT OF KARNATAKA AT DHARWAD

DATED THIS THE 25TH DAY OF FEBRUARY, 2026

BEFORE

THE HON'BLE MRS JUSTICE K.S.HEMALEKHA

WRIT PETITION NO.100475 OF 2025 (LA-RES)
C/W
WRIT PETITION NO.106989 OF 2024 (LB-RES)

IN W.P. No.100475/2025:

BETWEEN:

KIRLOSKAR ELECTRIC COMPANY LTD.,
PB NO. 112, GOKUL ROAD, HUBLI,
REPRESENTED BY ITS
MANAGING DIRECTOR,
SRI. ANAND B.HUNNUR.

...PETITIONER

(BY SRI. UDAY HOLLA, SENIOR COUNSEL FOR
SRI. ARAVIND D.KULKARNI, ADVOCATE)

AND:

1. STATE OF KARNATAKA
URBAN DEVELOPMENT DEPARTMENT,
VIKASA SOUDHA,
DR. AMBEDKAR VEEDHI ROAD,
BENGALURU-560001,
REPRESENTED BY ITS
PRINCIPAL SECRETARY.

2. STATE OF KARNATAKA
DEPARTMENT OF REVENUE,
M.S BUILDING,
DR. AMBEDKAR VEEDHI ROAD,
BENGALURU-560001,
REPRESENTED BY ITS
PRINCIPAL SECRETARY.

3. DEPUTY COMMISSIONER
DHARWAD DISTRICT,
DHAWRAD-580001.

4. REGIONAL COMMISSIONER
BELAGAVI DIVISION,
BELAGAVI-590002.

5. THE COMMISSIONER
HUBLI DHARWAD URBAN
DEVELOPMENT AUTHORITY,
NAVANAGARA, HUBBALLI-580025.

...RESPONDENTS

(BY SRI. GANGADHAR J.M., AAG AND
SRI. PRAVEEN K.UPPAR, AGA FOR R1 TO R4;
SRI. B.SHARANABASAWA, ADVOCATE FOR R5)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA 1950, PRAYING TO ISSUE A WRIT OF CERTIORARI OR ANY OTHER WRIT, ORDER OR DIRECTION QUASHING THE ENDORSEMENT BEARING NO.UDD 89 BEMA PRA 2024 (E) DATED 18.12.2024 ISSUED BY THE 1ST RESPONDENT (ANNEXURE-T); AND ETC.

IN WP NO. 106989/2024:

BETWEEN:

M/S. MARVEL PROPERTIES AND
M/S. ASMAKAM AND INFRA PROJECTS PVT. LTD. JV,
AN ASSOCIATIONS OF PERSONS,
HAVING OFFICE AT SHOP NO.218,
2ND FLOOR, MARVEL ARTIZA,
VIDYANAGAR, OPP. KIMS,
HUBLI-580 021,
REPRESENTED BY ITS
AUTHORISED SIGNATORY,
SRI. GURURAJ
S/O. MALLIKARJUN ANNIGERI,
AGE. 43 YEARS, OCC. BUSINESS,
O/AT. ADDRESS AS STATED ABOVE.

...PETITIONER

(BY SRI. UDAY HOLLA, SENIOR COUNSEL FOR
SRI. M.B.HIREMATH, ADVOCATE)

AND:

1. STATE OF KARNATAKA
   DEPARTMENT OF REVENUE,
   M.S BUILDING, BENGALURU -01,
   BY ITS PRINCIPAL SECRETARY.

2. DEPUTY COMMISSIONER,
   DHARWAD DISTRICT,
   DHARWAD-580001.

3. REGIONAL COMMISSIONER
   BELAGAVI DIVISION,
   BELAGAVI-590002.

4. THE COMMISSIONER,
   HUBLI DHARWAD URBAN
   DEVELOPMENT AUTHORITY,
   NAVANAGARA, HUBBALLI-580 025.

...RESPONDENTS

(BY SRI. GANGADHAR J.M., AAG AND
SRI. PRAVEEN K.UPPAR, AGA FOR R1 TO R3;
SRI. B.SHARNABASAWA, ADVOCATE FOR R4)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA 1950, PRAYING TO ISSUE A WRIT OF CETIORARI OR ANY OTHER WRIT, ORDER OR DIRECTION QUASHING APPROVAL BEARING NO. HDTA. LA/APPROVAL/43/2022-23/400 DATED. 29.04.2024 GRANTED BY RESPONDENT NO. 4 IN SO FAR AS IT RELATES TO CONDITION OF OBTAINING APPROVAL/ORDER/NOC FROM REVENUE DEPARTMENT, GOVERNMENT OF KARNATAKA (ANNEXURE-Z); AND ETC.

THESE WRIT PETITIONS COMING ON FOR ORDER THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MRS JUSTICE K.S.HEMALEKHA

ORDER

These writ petitions are interconnected, arise out of the same grant of land measuring 89 acres 23 guntas in Survey Nos.88 and 89 of Rayanala Village, Chabbi Hobli, Hubballi, originally granted in the year 1965 in favour of M/s. Kirloskar Electric Company Ltd.,(KECL).

2. W.P.No.100475/2025 is filed by KECL challenging the endorsement dated 18.12.2024 (Annexure-T) and consequential actions of the revenue authorities refusing to approve change of land use on the ground of alleged violation of grant and exemption conditions under the Urban Land (Ceiling and Regulation) Act, 1976 ('the ULC Act' for short).

3. W.P. No.106989/2024 is filed by the purchaser of a portion of the land challenging the imposition of a condition requiring a revenue NOC in the layout approval dated 29.04.2024 (Annexure-Z).

4. Since the issue involved arise from the same factual matters, both the writ petitions are heard together and disposed of by this common order.

Brief facts:

5. The State Government granted 89 acres 23 guntas in Survey Nos.88 and 89 in favour of KECL in 1965 for industrial purpose. Form No.F - agreement was executed. The non-alienation clause of 15 years was deleted in 1966 upon payment of occupancy price. The land was converted for industrial purpose and factory was established. In 2015, part of the land (20 acres) was converted from industrial to residential use by the Hubli-Dharwad Urban Development Authority (HUDA). The Deputy Commissioner issued a show-cause notice in 2018, alleging violation of grant condition and Section 20-exemption under the ULC Act.

6. In W.P. No.106705/2019, the Co-Ordinate Bench of this Court held that, after the repeal of the ULC

Act, 1976, the conditions imposed under Section 20 (2) cannot be enforced. The Division Bench dismissed the appeal, but did not disturb the findings regarding ULC repeal. On 08.02.2022, the Deputy Commissioner held that there was no violation of grant conditions. Thereafter, on 30.03.2022, KECL sold 29 acres 20 guntas to the petitioner in W.P. No.106989/2024. Development approval was sought and the HUDA granted approval on 29.04.2024, but imposed a condition requiring submission of a Revenue NOC. Revenue Authorities, relying on the report dated 29.07.2022 (Annexure-Y) and the Regional Commissioner letter (Annexure-AB), alleged violation of exemption under Section 20 of the ULC Act and recommended forfeiture.

7. In W.P.No.100410/2024, this Court again held that Section 20 of the ULC Act conditions stand obliterated after repeal.

8. Learned Senior Counsel, Sri Uday Holla, for the petitioner submits that Section 20 exemption condition under the ULC Act cannot be enforced after the Urban Land (Ceiling and Regulation) Repeal Act, 1999 ('ULC Repeal Act, 1999' for short). It is submitted that this Court in earlier proceedings had already held that Section 20 (2) of the ULC Act is not saved. Learned Senior Counsel submits that the Deputy Commissioner's order dated 08.02.2022 specifically records, 'there was no violation of grant condition, and after 60 years, the State is now seeking to reopen the grant order.' It is submitted that the conditional approval requiring a Revenue NOC is arbitrary and contrary to the Karnataka Town and Country Planning Act, 1961 and that the Revenue authorities cannot supplement reasons beyond the impugned endorsement and the alleged automatic forfeiture is legally unsustainable.

9. *Per contra*, learned AAG for the respondents submits that the grant was conditional and the land was to

be used exclusively for industrial purpose. Sale of 29 acres without prior permission constitutes violation. It is submitted that exemption under Section 20 of the ULC Act stood revoked automatically upon violation. It is submitted that Planning Authority cannot override grant condition and the issue of violation is pending before the Revenue Department. Therefore, imposition of NOC condition is justified.

10. The questions that fall for consideration are:

"i. Whether the Section 20 exemption conditions survive the repeal of the ULC Act?

ii. Whether the impugned endorsement requiring revenue NOC in the layout approval is sustainable in law?"

11. Both the points are taken up together to avoid the repetitions of facts.

12. Section 20 of the ULC Act, 1976 reads as under:

*"**20. Power to exempt**.-(1) Notwithstanding anything contained in any of the foregoing provisions of this Chapter-*

(a) where any person holds vacant land in excess of the ceiling limit and the State Government is satisfied, either on its own motion or otherwise, that, having regard to the location of such land, the purpose for which such land is being or is proposed to be used and such other relevant factors as the circumstances of the case may require, it is necessary or expedient in the public interest so to do, that Government may, by order, exempt, subject to such conditions, if any, as may be specified in the order, such vacant land from the provisions of this Chapter;

(b) where any person holds vacant land in excess of the ceiling limit and the State Government, either on its own motion or otherwise, is satisfied that the application of the provisions of this Chapter would cause undue hardship to such person, that Government may by order, exempt, subject to such conditions, if any, as may be specified in the order, such vacant land from the provisions of this Chapter:

Provided that no order under this clause shall be made unless the reasons for doing so are recorded in writing."

(2) If at any time the State Government is satisfied that any of the conditions subject to which any exemption under clause (a) or clause (b) of sub-section (1) is granted is not complied with by any person, it shall be competent for the State Government to withdraw, by order, such exemption after giving a reasonable opportunity to such person for making a representation against the proposed withdrawal and thereupon the provisions of this Chapter shall apply accordingly.

13. The said exemption empowered the State Government to grant exemption from ceiling provisions in respect of vacant land, if it is satisfied that such exemption was necessary in the public interest or for industrial houses, housing, or other specified purposes. Sub-section (1) authorized the Government to grant such exemption, subject to conditions. Sub-section (2) provided that, in the event of breach of any conditions subject to which the exemption was granted, the State Government could withdraw the exemption, whereupon the provisions of the Act would apply as if no exemption had been granted.

14. However, the ULC Repeal Act, 1999 repealed the principal Act. Section 3 of the Repeal Act saved only

limited situations, namely, cases where possession has already been taken, or proceedings had attained finality prior to appeal. The power under Section 20 (2) of the ULC Act to withdraw the exemption is not expressly saved.

15. This Court in W.P. No.106705/2019 has held at paragraph Nos.46 and 47 as under:

> *"46. Respondent No.2 in the show cause notice at Annexure-L has alleged the violation of order dated 09.12.1983 and 02.03.1988. Surprisingly, the respondent No.2 has alleged violation of the order dated 09.12.1983 and 02.03.1988 passed under Section 20 of the Urban Land Ceiling Act, 1976. The Urban Land Ceiling Act was repealed on 22.03.1999 by the Urban Land (Ceiling and Regulation) Repeal Act, 1999. Section 4 of the repealing Act provides that all proceedings relating to any order made or purported to be made under the principal Act pending before any court, tribunal or other authority shall abate. In the instant case the proceeding is sought to be initiated after lapse of 30 years from the date of the order. Further on the repeal of the Act the order passed under the said Act cannot be enforced. Even otherwise, there is inordinate delay in initiation of proceedings.*

> *47. Without prejudice to the aforesaid contentions, as per Section 20(2) of the ULC Act the State Government can withdraw the exemption granted after giving an opportunity of hearing to the person concerned. In the instant case, impugned notice is issued by 2nd respondent and not by the State Government. Further Section 20(2) of the ULC Act is not in existence by virtue of the Repealing Act. Hence, Section 20(2) cannot be invoked. A reading of the Repealing Act leaves no room for doubt that the order under the ULC Act would cease to operate on passing of the Repealing Act."*
>
> *(Emphasis supplied)*

16. Again in W.P. No.100410/2024 has held that in view of the ULC Repeal Act, 1999, an order passed under Section 20 of the ULC Act, including the condition imposed in the order stands obliterated and there is no requirement of the relaxation of condition and allowed the writ petition seeking quashing of the order of the Deputy Commissioner and held that Section 20 (2) of the ULC Act cannot be invoked and exemption conditions cannot be enforced.

17. It is not in dispute that the petitioner was granted 89 acres 23 guntas of land in Survey Nos.88 and 89 of Rayanala Village on 28.01.1965 for establishment of an industrial unit. A Form-F agreement was executed on 05.03.1965 and land was converted for non-agricultural / industrial use on 02.07.1965. Though the original grant contained a non-alienation clause for 15 years, the same was deleted on 13.05.1966 upon payment of occupancy price. The petitioner established the factory, operated it for 50 years. This factual position is also not seriously disputed. This uninterrupted enjoyment and utilization of land assume significance, when the State now attempts to reopen the issue of alleged violations after several decades.

18. When the Deputy Commissioner issued show-cause notice dated 30.11.2018 alleging violation of grant condition and Section 20 (1) exemption from the ULC Act, 1976, the petitioner challenged the same in W.P. No.106705/2019. By the order dated 30.07.2020, this

Court specifically has held as stated *supra*, that the orders passed under Section 20 (2) of the ULC Act cannot be enforced and these findings came to be confirmed by the Division Bench in W.A. No.100157/2020.

19. Pursuant to the remand, the Deputy Commissioner passed an order dated 08.02.2022 holding that there is no violation of grant condition. Thus, the ULC based violation theory stood negated, the grant violation allegation was examined, and rejected and the said matter as to no violation of grant condition has attained finality.

20. Thereafter, the petitioner applied for change of land use in respect of 31 acres 24 guntas on 24.06.2022. The HUDA having delayed consideration, the petitioner was constrained to file W.P. No.103465/2023. By order dated 30.01.2024, this Court directed issuance of PT Sheet and directed the HUDA to process the application and place the recommendation before the Government. The PT Sheet was issued, public notice under Section 14A of the

Karnataka Town and Country Planning Act, 1961 was issued. No objection was received and the HUDA recommended change of land use on 03.08.2024. Thus, from the planning perspective all the statutory steps were complied with.

21. Instead of considering the recommendation, respondent No.1 issued an endorsement dated 18.12.2024, stating that the approval cannot be considered as the issue of violation of grant condition is pending before the Revenue Department and before the Minister. This endorsement is founded on Deputy Commissioner's report dated 29.07.2022 and the Regional Commissioner's recommendation dated 09/10.05.2013. Both these communications proceed on the premise that exemption under Section 20 of the ULC Act stood automatically revoked.

22. As stated *supra*, this Court has already in W.P. No.106705/2019 reviewed and again in W.P. No.100410/2024 has held that:

i. Section 20 (2) of the ULC Act is not saved by the ULC Repeal Act, 1999.

ii. Condition imposed under Section 20 stand obliterated.

iii. No question of revocation survives post-repeal.

23. Once this legal position is settled, the very foundation of the Deputy Commissioner's report dated 29.07.2022 collapses and the authority cannot revive a repealed statutory condition through a report or a recommendation. The issue of reopening, while considering the change of land use, is contrary to the principle of finality. Even assuming that some provisional power existed, it must be exercised within a reasonable period and a 60-year silence cannot be disturbed without statutory authority.

24. Further, the Planning Authority has followed Section 14A procedure, public notice was issued. No objections were received and HUDA recommended approval, the State Government cannot stall approval on a ground which has already been judicially negated. There is no provision under the Karnataka Town and Country Planning Act, 1961. The endorsement dated 18.12.2024 is therefore not only contrary to the above orders of this Court, but also a colourable exercise of power and the points framed for consideration are answered, holding that the Deputy Commissioner's report and the Regional Commissioner's letter are legally unsustainable and the endorsement dated 18.12.2024 withholding approval for change of land use is arbitrary and without jurisdiction and this Court pass the following:

ORDER

i. W.P.No.100475/2025 and W.P.No.106989/2024 are hereby ***allowed***.

ii. The endorsement dated 18.12.2024 issued by respondent No.1 in W.P.No.100475/2025 (Annexure-T) is hereby ***quashed***.

iii. The report dated 29.07.2022 submitted by the Deputy Commissioner, Dharwad, (Annexure-Y) in W.P.No.106989/2024 and in W.P. No.100475/2025 (Annexure-U) and the consequential recommendation dated 09/10.05.2023 of the Regional Commissioner are hereby ***quashed***.

iv. It is declared that the alleged violation of condition imposed under Section 20 of the Urban Land (Ceiling and Regulation) Act, 1976 cannot be relied upon by the respondents in view of the Urban Land (Ceiling and Regulation) Repeal Act, 1999.

v. The condition imposed in the approval dated 29.04.2024, insofar as it requires the petitioner in W.P. No.106989/2024 to obtain NOC / order

/ approval from the Revenue Department is declared illegal, unenforceable and stands ***set aside.***

vi. Respondent No.1-State Government is directed to consider and pass final orders on the recommendations submitted by the HUDA for change of land use dated 03.08.2024 strictly in accordance with the provisions of Karnataka Town and Country Planning Act, 1961, without reference to the alleged ULC violation within a period of four weeks from the date of receipt of the certified copy of this order.

vii. Upon such approval, respondent No.5-HUDA shall proceed to process the layout / Development Plan of the petitioner in W.P. No.106989/2024, in accordance with law, without insisting upon the Revenue NOC relating to Section 20 of the ULC Act.

viii. It is clarified that this order shall not preclude the respondents from examining compliance with any other statutory requirements under the applicable Planning or Municipal laws, if any.

All pending applications, if any, stands disposed of.

Sd/-
JUSTICE K.S.HEMALEKHA

MBM
CT:VH
List No.: 1 Sl No.: 49