

IN THE HIGH COURT OF KARNATAKA AT BENGALURU
[THE PEENYA INDUSTRIES ASSOCIATION VS. STATE OF
KARNATAKA AND OTHERS]

09.07.2026

(VIDEO CONFERENCING / PHYSICAL HEARING)

CORAM: HON'BLE MR. JUSTICE B M SHYAM PRASAD

ORAL ORDER

Sri K G Raghavan, the learned senior counsel for the petitioner, while taking this Court through the circumstances to justify why an *Association* has invoked this Court's jurisdiction, submits that this Court will have to decide on whether a *Local Authority* could assume jurisdiction for any of the purposes listed under Sections 15 and 29 of the Karnataka Special Investment Region Act, 2022 [for short, '*the Act*']. The learned Senior Counsel argues the following:

[a] With the declaration under Section 3 of the Act and the consequence that would flow from Section 4 thereof, a '*Special Investment Region*' would be outside the fold for the purposes listed in Section 15 and Section 29 of the Act especially when the '*Regional Development*

Authority' is constituted as envisaged under Section 8 thereof.

[b] The first to fourth phases of '*Peenya Industrial Area*' have been declared under the Act to be '*Peenya Special Investment Agency*' with the jurisdiction constituting *Karnataka Industrial Area Development Board [KIADB]* as the '*Regional Development Authority*'.

[c] The difficulty for the Members of the petitioner's Association amongst others is with the impugned Notification stipulating that the '*Local Authority*' as mentioned therein will continue to exercise all powers for determination and collection of taxes.

[d] The members of the petitioner, because of the terms of the Notifications issued under the Act have offered taxes to KIADB and would be in a flux with the tax being demanding by these local authorities notwithstanding the provisions of the Act.

Prima facie the question presented indeed requires consideration. The first respondent who has issued the impugned Notification must be given an opportunity to complete pleadings in the light thereof. As such, this Court observes that the first respondent, without prejudice to complete its pleadings, must, at the first instance, file its preliminary objections by the next date of hearing.

While so observing, Sri Kenche Gowda, a learned Additional Government Advocate, is called upon to accept notice for the first and second respondents. Sri P V Chandrasekhar, a learned standing counsel for the third respondent, subject to entrustment otherwise, is called upon to accept notice for this respondent.

The learned counsel on record for the petitioner shall ensure that the copies of the petition/annexures are served on the chambers of Sri P V Chandrashekar at the earliest.

The office is directed to re-list this petition on **24.07.2026.**

(B M SHYAM PRASAD)
JUDGE

AN/-
List No.: 2 Sl No.: 11