



IN THE HIGH COURT OF KARNATAKA, AT DHARWAD

DATED THIS THE 11TH DAY OF SEPTEMBER, 2025

BEFORE



THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 106642 OF 2025 (T-RES)

BETWEEN:

M/S. BEE JAY ENGINEERS
C437 , BEE JAY ENGINEERS,
M.T. SAGAR INDUSTRIAL ESTATE,
GOKUL, ROAD, HUBBALLI,
DIST. DHARWAD -580030.
GSTIN. 29AMCPB3459J1ZZ
REP BY SOLE PROPRIETOR,
VINAY S/O. RAMESH BURBURE,
AGE: 47 YEARS, OCC. BUSINESS.

...PETITIONER

(BY SRI. VISHWANATH HEGDE, ADVOCATE)

AND:

1. COMMERCIAL TAX OFFICER
(ENFORCEMENT -3), HUBBALLI,
OFFICE OF THE COMMERCIAL TAX OFFICE,
NAVANGAR, HUBBALLI, DIST. DHARWAD -580025.
2. JOINT COMMISSIONER OF COMMERCIAL TAXES
HUBBALLI , NEAR D.C. COMPOUND,
DHARWAD -580001.
3. UNION OF INDIA
REP BY FINANCE SECRETARY,
MINISTRY OF FINANCE, DEPARTMENT OF REVENUE,
NORTH BLOCK, NEW DELHI-110001.

...RESPONDENTS

(BY SRI. SHARAD V. MAGADUM, AGA FOR R1 AND R2;
SRI. M.B. KANAVI, CGSC FOR R3)





THIS WP IS FILED UNDER ORDER 226 AND 227 OF THE CONSTITUTION OF INDIA, PRAYING TO, A. ISSUE WRIT OF CERTIORARI TO QUASH THE ENTIRE INSPECTION PROCEEDINGS INITIATED UNDER SECTION 67(1) OF THE GST ACT 2017 AGAINST THE PETITIONER, INCLUDING THE WRITTEN STATEMENT DATED 02.09.2025 MARKED AS ANNEXURE B ON THE GROUND THAT THE SAME ARE WITHOUT VALID REASONS TO BELIEVE, BEYOND JURISDICTION AND UNSUSTAINABLE IN LAW.OR, IN THE ALTERNATIVEB. ISSUE WRIT OF MANDAMUS DIRECTING THE RESPONDENTS TO CONFINE INSPECTION STRICTLY TO THE EXTENT OF TRANSACTIONS COVERED BY THE RECORDED REASONS TO BELIEVE SUPPORTED WITH TANGIBLE EVIDENCE.C. ISSUE WRIT OF MANDAMUS DIRECTING THE RESPONDENTS THAT, IF A FULL-FLEDGED AUDIT IS CONSIDERED NECESSARY, THE SAME SHALL BE UNDERTAKEN ONLY UNDER SECTION 65 OR 66 OF THE GST ACT IN ACCORDANCE WITH DUE PROCESS OF LAW.D. DECLARE THAT THE PETITIONER'S STATEMENT DATED 02.09.2025 DOES NOT AMOUNT TO CONSENT OR WAIVER PERMITTING A FULL AUDIT UNDER RELEVANT PROVISIONS OF CGST AND KGST ACT, 2017.E. PASS ANY OTHER ORDER DEEMED FIT IN THE INTEREST OF JUSTICE AND EQUALITY.

THIS PETITION, COMING ON FOR PRELIMINARY HEARING THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

ORAL ORDER

(PER: THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ)

1. Learned AGA accepts notice for respondent Nos.1 and
2.
2. Sri.M.B.Kanavi, learned counsel accepts notice for
respondent No.3.
3. The petitioner is before this Court seeking for the
following reliefs:



- a. Issue Writ of Certiorari to quash the entire inspection proceedings initiated under section 67(1) of the GST Act 2017 against the petitioner, including the written statement dated 02.09.2025 marked as Annexure B on the ground that the same are without valid reasons to believe, beyond jurisdiction and unsustainable in law. or, in the alternative.*
 - b. Issue Writ of Mandamus directing the respondents to confine inspection strictly to the extent of transactions covered by the recorded "Reasons to Believe" supported with tangible evidence.*
 - c. Issue Writ of Mandamus directing the respondents that, if a full-fledged audit is considered necessary, the same shall be undertaken only under section 65 or 66 of the GST Act in accordance with due process of law.*
 - d. Declare that the petitioner's statement dated 02.09.2025 does not amount to consent or waiver permitting a full audit under relevant provisions of CGST and KGST Act, 2017.*
 - e. Pass any other order deemed fit in the interest of justice and equality.*
4. The contention of the petitioner is that without there being an application of mind by the Joint Commissioner, as required under Section 67 of the CGST and SGST Act, 2017 (hereinafter referred to as



'Act' for brevity), the Commercial Tax Officer has inspected the premises of the petitioner and called upon the petitioner to submit certain documents, as also called upon the petitioner to submit a statement.

5. Submission of Sri.Vishwanath Hegde, learned counsel for the petitioner is that

- 5.1. In terms of Section 67 of the Act, a proper Officer not below the rank of Joint Commissioner ought to have reason to believe that a taxable person has suppressed any transaction or has claimed input tax credit in excess of his entitlement under the Act and or has indulged in contravention of any of the provisions of the Act and thereafter he may authorise in writing any other Officer of the Central Tax to inspect any place of business of the taxable person.



- 5.2. In the present matter, his submission is that there is no such reason to believe expressed by the Joint Commissioner and as such the Commercial Tax Officer has inspected the property of the petitioner without authorisation and or jurisdiction. His submission is also that the Joint Commissioner being required to apply his mind and pass a necessary order, the copy of the order of the Joint Commissioner is also required to be furnished to the petitioner, which not having been furnished, the Commercial Tax Officer could not have carried out the inspection and recorded the statement of the petitioner.
6. Shri Sharad Magdum Learned AGA submits that
- 6.1. There is application of mind by the joint commissioner and there is an authorisation granted to the Commercial Tax Officer. He has made available a copy of GST INS-01 being the



authorisation for inspection issued by the Office of the Joint Commissioner, Dharwad and by relying on the same he submits that the Joint Commissioner having received certain information with regard to another assessee, having suppressed the transaction with the petitioner, had exercised powers under Subsection (1) of Section 67 of the Act and authorised the Commercial Tax Officer to carry out necessary inspection, in terms of the applicable law.

- 6.2. The said document he submits is a confidential document, which discloses the nature of information received and as such, those confidential information having been considered by the Joint Commissioner, the Joint Commissioner has issued an authorisation to the Commercial Tax Officer in terms of Subsection (1) of Section 67 of the Act and as



such, no fault could be found in the actions taken by the Commercial Tax Officer.

7. Heard the learned counsel for the petitioner and learned AGA for respondent Nos.1 and 2. Perused writ petition papers.

8. The points that would arise for determination are:

(i) Whether any Officer below the rank of the Joint Commissioner can by himself inspect the premises of any taxable person without authorisation from the Joint Commissioner?

(ii) Whether in the event of the Joint Commissioner being satisfied under Subsection (1) of Section 67 of the Act has issued an authorisation in writing to any other Officer, is such an authorisation required to be provided to the taxable person?

(iii) What order?

9. I answer the above points as under:

10. **Answer to Point No.(i): Whether any Officer below the rank of the Joint Commissioner can by himself inspect the premises of any taxable person without authorisation from the Joint Commissioner?**



10.1. Section 67(1) and (2) of the Act are reproduced hereunder for easy reference:

"67. Power of inspection, search and seizure.- (1) *Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that-*

- (a) taxable person has suppressed any transaction relating to supply of goods or services or both or the stock of goods in hand, or has claimed input tax credit in excess of his entitlement under this Act or has indulged in contravention of any of the provisions of this Act or the rules made thereunder to evade tax under this Act; or (b)*
- (b) any person engaged in the business of transporting goods or an owner or operator of a warehouse or a godown or any other place is keeping goods which have escaped payment of tax or has kept his accounts or goods in such a manner as is likely to cause evasion of tax payable under this Act,*

he may authorise in writing any other officer of State tax to inspect any places of business of the taxable person or the persons engaged in the business of transporting goods or the owner or the operator of warehouse or godown or any other place.

(2) Where the proper officer, not below the rank of Joint Commissioner,



either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that any goods liable to confiscation or any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise in writing any other officer of State tax to search and seize or may himself search and seize such goods, documents or books or things:

Provided that where it is not practicable to seize any such goods, the proper officer, or any officer authorised by him, may serve on the owner or the custodian of the goods an order that he shall not remove, part with, or otherwise deal with the goods except with the previous permission of such officer:

Provided further that the documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act."

- 10.2. A perusal of Subsection (1) of Section 67 of the Act would indicate that where a person not below the rank of Joint Commissioner, has reasons to believe that, in terms of clause (a) thereof, that a taxable person has suppressed



any transaction relating to supply of goods or services or both or the stock of goods in hand, or has claimed input tax credit in excess of his entitlement under this Act or has indulged in contravention of any of the provisions of this Act or the rules made thereunder to evade tax under this Act and in terms of clause (b), any person engaged in the business of transporting goods or an owner or operator of a warehouse or a godown or any other place is keeping goods which have escaped payment of tax or has kept his accounts or goods in such a manner as is likely to cause evasion of tax payable under this Act, then the Joint Commissioner may authorise in writing any other Officer of Central Tax to inspect any places of business of the taxable person or the persons engaged in the business of transporting



goods or the owner or the operator of the warehouse or godown or any other place.

10.3. In terms of Subsection (2) of Section 67 of the Act, where the proper officer, not below the rank of Joint Commissioner, either pursuant to an inspection carried out under sub-section (1) or otherwise, has reasons to believe that any goods liable to confiscation or any documents or books or things, which in his opinion shall be useful for or relevant to any proceedings under the Act, are secreted in any place, he may authorise in writing any other officer of State tax to search and seize or may himself search and seize such goods, documents or books or things.

10.4. In view of the above, it is clear that under Subsection (1) of Section 67 of the Act, it is only the Joint Commissioner who has to have



reasons to believe and who may authorise in writing any other officer. In terms of Subsection (2) of Section 67 of the Act, the person so authorised by the Joint Commissioner may confiscate any goods or documents by himself or authorise anyone else to seize and confiscate such documents or goods.

10.5. In the present case, on the basis of submission of the learned AGA, as also the authorisation which has been issued, it is clear that the Joint Commissioner has received certain information, and as such the Joint Commissioner has reasons to believe that there is suppression of transaction relating to supply of goods and or services, which comes within the purview of clause (a) of Subsection (1) of Section 67 of the Act, in pursuance of which, an authorisation has been issued to the Commercial Tax Officer.



10.6. In that view of the matter, the Joint Commissioner having issued authorisation there is compliance with Subsection (1) of Section 67 of the Act, in pursuance of which, the Commercial Tax Officer under Subsection (2) of Section 67 of the Act can carry out inspection, confiscate the goods and or documents, as the case may be.

10.7. In that view of the matter, point No.(i) is answered by holding that any Officer below the rank of the Joint Commissioner can not by himself inspect the premises of any taxable person without authorisation from the Joint Commissioner.

11. **Answer to point No(ii): Whether in the event of the Joint Commissioner being satisfied under Subsection (1) of Section 67 of the Act has issued an authorisation in writing to any other Officer, is such an authorisation required to be provided to the taxable person?**



- 11.1. The submission of Sri.Vishwanath Hegde, learned counsel for the petitioner is that the copy of the authorisation and or the reasons on which the Joint Commissioner has exercised his powers under Subsection (1) of Section 67 of the Act has not been provided to the petitioner.
- 11.2. As rightly contended by learned AGA any information which may be received in regard to suppression may be confidential information and as such in my opinion it would not be required for such information to be made available to the taxable person.
- 11.3. Be that as it may. It would however be required that the concerned Officer, who carries out the inspection in terms of Subsection (2) of Section 67 of the Act, at least inform the taxable person of the authorisation having been received from the Joint Commissioner.



11.4. In future, respondent No.2 is directed to instruct all his delegates about the requirement to inform the taxable person of the authorisation being received, though the information and the contents thereof is not required to be informed to the taxable person in question.

11.5. Hence, I answer point No.(ii) by holding that there is no requirement to provide a copy of the authorisation and the details of the order passed by the Joint Commissioner under Subsection (1) of Section 67 of the Act. However, the delegate who inspects and or confiscates any document or goods would be required to provide the details of the authorisation to the taxable person.

12. **Answer to point No.(iii): What order?**



12.1. In the present matter, there is no infirmity in the actions taken by the respondent No.1 in pursuance of the authorisation issued by the Joint Commissioner under Subsection (1) of Section 67 of the Act.

12.2. Hence, no grounds having been made out, the relief which had been sought for cannot be granted.

12.3. The petition stands ***dismissed***.

**Sd/-
(SURAJ GOVINDARAJ)
JUDGE**