

Case: Sameera Hotels (Chennai) Pvt. Ltd. v. State Tax Officers, Vellore Division

2026 TAXSCAN (HC) 904

Court: Madras High Court

Date: 08 June 2026

Judge: Justice C. Saravanan

The case of Sameera Hotels (Chennai) Pvt. Ltd. v. State Tax Officers, Vellore Division arose from a surprise inspection conducted in May 2024, which revealed mismatches in Input Tax Credit (ITC) claims. Following the inspection, notices under Section 74 of the GST Act were issued, alleging fraud and suppression. Assessment orders passed in November 2024 concluded that the petitioner had wrongfully availed ITC and failed to discharge tax under the Reverse Charge Mechanism (RCM).

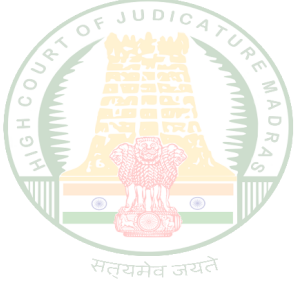
The petitioner challenged these orders before the Madras High Court, arguing that the show cause notices lacked sufficient particulars to justify invoking Section 74. They contended that the proceedings were time-barred under Section 73, which applies to non-fraud cases, and that the mere use of the word “willfulness” in the orders was inadequate to establish intent to evade tax. Their position was that the excess ITC claim was at worst a mistake, not fraud.

The State Tax Officers defended the proceedings, asserting that the orders were valid even within Section 73 timelines. They pointed out that the petitioner’s replies did not challenge jurisdiction under Section 74 and argued that the writ petitions were filed belatedly, beyond the appeal period under Section 107.

Justice Saravanan held that availing ITC beyond what was reflected in GSTR-2A amounted to suppression with intent to evade tax. The Court stated that under GST, the threshold for invoking Section 74 is lower than in earlier indirect tax regimes, meaning even procedural discrepancies can justify extended limitation. The Court also noted the petitioner’s failure to discharge RCM liability on foreign commissions and rejected the time-bar argument, relying on its earlier decision in Tata Play Ltd.

Ultimately, the writ petitions were dismissed, though the Court granted liberty to the petitioner to file appeals before the Appellate Commissioner within 30 days, subject to compliance with Section 107.





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W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on	26.11.2025
Pronounced on	08.06.2026

CORAM:

THE HONOURABLE MR.JUSTICE C.SARAVANANW.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025andW.M.P.Nos.37386, 37388, 37391, 37392, 37395, 37396, 37404, 37405,
37410 and 37412 of 2025

M/s.Sameera Hotels (Chennai) Private Limited,
Represented by its Authorized Representative

M.Jayakumar

... Petitioner in all W.Ps

Vs.

1.The State Tax Officer (Inspection-I),
Office of the Joint Commissioner (ST) (Intelligence),
Vellore Division,
No.4, Barathiar Salai,
Fort Round,
Vellore – 632 001.

2.The State Tax Officer (Inspection-II),
Office of the Joint Commissioner (ST) (Intelligence),
Vellore Division,
No.4, Barathiar Salai,
Fort Round,
Vellore – 632 001.

3.Joint Commissioner (ST) (Intelligence),
Vellore Division,
No.4, Barathiar Salai,
Fort Round,
Vellore – 632 001.

... Respondents in all W.Ps



W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

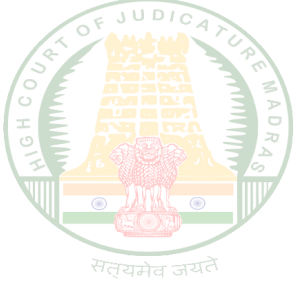
Prayer in W.P.No.33258 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the 1st Respondent herein in impugned order passed in GSTIN: 33AANCS2743L1Z1/2018-19 dated 07.11.2024 for the Financial Year 2018-19 and quash the same.

Prayer in W.P.No.33262 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the 1st Respondent herein in impugned order passed in GSTIN: 33AANCS2743L1Z1/2019-20 dated 09.11.2024 for the Financial Year 2019-20 and quash the same.

Prayer in W.P.No.33268 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the 1st Respondent herein in impugned order passed in GSTIN: 33AANCS2743L1Z1/2020-21 dated 11.11.2024 for the Financial Year 2020-21 and quash the same.

Prayer in W.P.No.33272 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the 1st Respondent herein in impugned order passed in GSTIN: 33AANCS2743L1Z1/2021-22 dated 12.11.2024 for the Financial Year 2021-22 and quash the same.

Prayer in W.P.No.33275 of 2025: Writ Petition filed under Article 226 of the Constitution of India, for issuance of a Writ of Certiorari, to call for the records of the 1st Respondent herein in impugned order passed in GSTIN: 33AANCS2743L1Z1/2022-23 dated 13.11.2024 for the Financial Year 2022-23 and quash the same.



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W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

For Petitioner : Mrs.G.Vardini Karthik
(In all W.Ps)

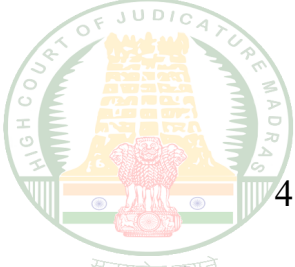
For Respondents : Mr.C.Harsharaj
(In all W.Ps) Special Government Pleader

COMMON ORDER

By this Common Order, all these Writ Petitions are being disposed of.

2. These cases were heard along with a batch of 250 Writ Petitions and as one of the 53 Writ Petitions which were finally heard on the larger issue regarding the challenge to the proceedings under Section 74 of the respective GST Enactments.

3. By a Common Order today in **W.P.No.2142 of 2026 [Turbo Energy Private Limited]**, **W.P.Nos.35967, 35970, 35974 and 35976 of 2024 [Fastenex Private Limited]** and **W.P.Nos.14487, 14492 and 14500 of 2025 [Ispahani Estates Private Limited]**, a detailed order has been passed insofar as the invocation of extended period of limitation under Section 74 of the respective GST Enactments.



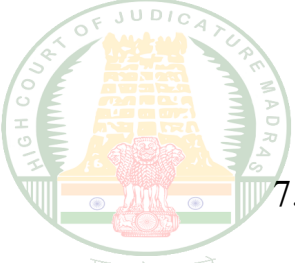
W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

4. In these Writ Petitions, the Petitioner has challenged the respective Impugned Orders, as detailed below:-

S.No.	Writ Petition	Assessment Year	Date of Show Cause Notice in GST DRC-01	Date of Impugned Order
1	33258 of 2025	2018-2019	31.07.2024	07.11.2024
2	33262 of 2025	2019-2020	31.07.2024	09.11.2024
3	33268 of 2025	2020-2021	31.07.2024	11.11.2024
4	33272 of 2025	2021-2022	31.07.2024	12.11.2024
5	33275 of 2025	2022-2023	31.07.2024	13.11.2024

5. It is the case of the Petitioner that a surprise Inspection was conducted by the 1st Respondent on 09.05.2024, under the Authorization of the 3rd Respondent, at the business premises of the Petitioner.

6. Pursuant to the said Inspection, the Petitioner was issued with an Intimation Notices in GST DRC-01A dated 02.07.2024, pointing out certain discrepancies. This was followed by Show Cause Notices in GST DRC-01 dated 31.07.2024 for the respective Tax Periods, proposing to determine tax under Section 74 of the respective GST Enactments.



W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

7. The Petitioner replied to the respective Show Cause Notices on 14.08.2024 and 16.08.2024, which has culminated in the respective Impugned Orders.

8. The learned counsel for the Petitioner would submit that though the Department has invoked Section 74 of the respective GST Enactments in the respective Show Cause Notices dated 31.07.2024, the Notices have not particularized the ingredients and therefore, the Impugned Orders are liable to be quashed.

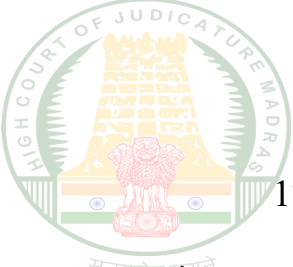
9. That apart, it is submitted that the Impugned Orders merely use the term “willfulness” in the conclusion for sustaining the demands under Section 74 of the respective GST Enactments. They are reproduced below:-

W.P.Nos.33258, 33262, 33268 and 33272 of 2025

“The claim of ITC under IGST was not proved, and the tax due on the import of service was not paid. This shows the willfulness on the part of the taxable persons.”

W.P.No.33275 of 2025

“The reconciliation of ITC under CGST and SGST was not proved, and the tax due on the import of service was not paid. This shows the willfulness on the part of the taxable person.”



W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

17. There is no dispute that the Petitioner has availed Input Tax Credit in excess of the amount reflected in GSTR-2A for discharging the tax liability in GSTR-3B.

18. Thus, there are *prima facie* indications that the Petitioner had wrongly availed Input Tax Credit and utilized the same to discharge the tax liability in GSTR-3B. Thus, there is suppression of fact with an intention to evade tax.

19. This is in view of the Common Order passed in the batch today by a Separate Order, wherein it has been explained in detail that the threshold for invoking the extended period of limitation under Section 74 of the respective GST Enactments is much lower compared to the earlier Indirect Tax Legislations.

20. That apart, it is the contention of the Petitioner that the proceedings were time barred, the issue is now covered against the Petitioner in terms of the decision of this Court in **M/s.Tata Play Limited and Others Vs. Union of India, Ministry of Finance, New Delhi and others** in **W.P.Nos.17184 of 2024 etc., batch** dated **12.06.2025** as modified by **05.11.2025** [2025 32



W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

Centax 318], wherein, for at least 2 of the Assessment Orders concerned herein i.e., 2018-2019 and 2019-2020, the time for passing orders under Section 73 of the respective GST Enactments itself would have not expired.

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21. That apart, there are indications that the Petitioner has also not discharged the tax liability on Reverse Charge Mechanism on the commissions received from the Foreign Booking Agencies.

22. Therefore, there are no merits in these Writ Petitions insofar as challenge to the Impugned Orders under Section 74 of the respective GST Enactments. Therefore, these Writ Petitions are liable to be dismissed.

23. Accordingly, these Writ Petitions are dismissed with liberty to the Petitioner to work out the remedy on merits before the Appellate Commissioner.

24. The Petitioner shall file an appeal before the Appellate Commissioner within a period of 30 days from the date of receipt of a copy of this order, in which case, the Appellate Commissioner shall entertain and dispose of the appeal on merits subject to the Petitioner complying with the



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requirements of Section 107 of the respective GST Enactments. No costs.

Connected Writ Miscellaneous Petitions are closed.

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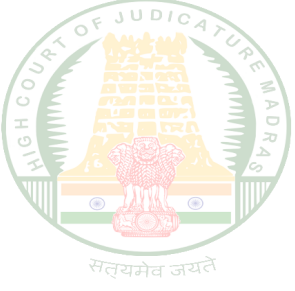
08.06.2026

Neutral Citation : Yes / No

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To:

- 1.The State Tax Officer (Inspection-I),
Office of the Joint Commissioner (ST) (Intelligence),
Vellore Division,
No.4, Barathiar Salai,
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C.SARAVANAN, J.

jas/arb

Pre-delivery Common Order in
W.P.Nos.33258, 33262, 33268, 33272 and 33275 of 2025

08.06.2026