Prakash Medical Stores v. Union of India & Ors.

Interpretation of limitation under Section 107 of the U.P. GST Act, 2017 read with Section 161 and applicability of principles of Section 14 of the Limitation Act, 1963. Issue of exclusion of time spent in rectification proceedings and limitation for fili

Date of Order: December 12, 2025
Case Law No: GIB-AHC-2025-38
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CASE DESCRIPTION / SUMMARY

Facts:
The petitioner challenged an appellate order dismissing its appeal as time-barred against an ex-parte adjudication order passed under Section 73 of the Act.
Before filing appeal, the petitioner had filed a rectification application under Section 161, which was rejected.
Thereafter, the appeal was filed under Section 107 within one month of rejection of the rectification application.
The appellate authority dismissed the appeal as beyond limitation, refusing to exclude time spent in rectification proceedings.

Court Decision:
The Court held that although Section 14 of the Limitation Act does not apply in strict terms, its underlying principle applies to GST proceedings.
It held that time spent bona fide in pursuing rectification under Section 161 must be excluded while computing limitation for appeal under Section 107.
The Court clarified that such exclusion does not amount to condonation of delay but exclusion of time, and limitation continues to remain within statutory period.
Accordingly, the appeal was held to be within limitation, the impugned order was set aside, and the appeal was restored for decision on merits.

Cases Referred by Court:
- M.P. Steel Corporation v. Commissioner of Central Excise
- Commissioner of Customs & Central Excise v. Hongo India Pvt. Ltd.
- Assistant Commissioner (CT) v. Glaxo Smith Kline Consumer Health Care Ltd.
- Commissioner of Sales Tax v. Parson Tools and Plants

- Consolidated Engineering Enterprises v. Irrigation Department
- Union of India v. West Coast Paper Mills Ltd.
- India Electric Works Ltd. v. James Mantosh
- M/s SPK and Co. v. State Tax Officer
- M/s Arvind Fashion Ltd. v. State of Haryana
- Atlantis Intelligence Ltd. v. Union of India

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