

## HC: Time Spent on Rectification to Be Excluded for Appeal Limitation

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REFER THE DECISION OF THE HON'BLE PUNJAB & HARYANA HIGH COURT IN THE CASE OF

Arvind Fashion Ltd. v. State of Haryana – [2025] 179 taxmann.com 492 (Punjab & Haryana High Court)

In a noteworthy ruling on limitation under GST law, the Punjab & Haryana High Court has held that the time consumed in pursuing a bona fide rectification application must be excluded while computing the limitation period for filing an appeal.

The assessee, *Arvind Fashion Ltd.*, upon receiving a demand order, promptly filed a rectification application under the relevant provisions within the prescribed time. After the rectification plea was rejected, the assessee immediately filed an appeal against the original order. However, the department contended that the appeal was barred by limitation.

The High Court disagreed with the department's view, observing that since the assessee had diligently pursued the rectification remedy, the period spent in bona fide prosecution of that proceeding ought to be excluded from the computation of limitation for filing appeal.

The Court emphasized that procedural provisions regarding limitation should be interpreted liberally to advance the cause of justice, especially when the assessee has acted in good faith and without delay.

Accordingly, the appeal was held to be within the permissible time, and the matter was directed to be decided on merits.

**// भगवान महावीर का संदेश //**

**"जीवो और जीने दो" — यही हो हमारा संकल्प।**

**🙏 जय जिनेन्द्र 🙏**