IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

WRIT PETITION (L) NO. 33751 OF 2026

United India Insurance Company Ltd. .....Petitioner

Versus

Union of India and Ors. .....Respondents

.....

Ms. Lakshmi Menon a/w Mr. Chinmay Babhulkar, for the Petitioner.

Ms. Jyoti Chavan, Addl. G. P. a/w Mr. Manish Upadhye, A.G.P, for the Respondent-State.

.....

CORAM : M. S. KARNIK &
SANDESH D. PATIL, JJ.

DATE : 3rd NOVEMBER 2026

P.C.:-

1. Heard learned Counsel for the Petitioner and learned A.G.P. for the Respondent-State.

2. Learned A.G.P. for the Respondent-State opposed the Petition and supported the impugned Order.

3. The facts of the case are that the present Petition is filed under Article 226 of the Constitution of India challenging the dismissal of the Appeal filed by the Petitioner against the Order No.JC/APP-II/GST-112/2025-26/United/Rejected dated 7th May,

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2026 issued by the Respondent No.3 under Section 107 of the Central Goods and Service Tax Act, 2017 (CGST Act).

4. Learned Counsel for the Petitioner invited our attention to the provisions of Section 107 of the CGST Act for filing an Appeal. Section 107 of the CGST Act reads thus:

> *"Appeals to Appellate Authority.*
>
> ***107.*** *(1) Any person aggrieved by any decision or order passed under this Act or the Central Goods and Services Tax Act by an adjudicating authority may appeal to such Appellate Authority as may be prescribed within three months from the date on which the said decision or order is communicated to such person.*
>
> *(2) The Commissioner may, on his own motion, or upon request from the Commissioner of central tax, call Ir and examine the record of any proceeding in which an adjudicating authority has passed any decision or order under this Act or the Central Goods and Services Tax Act, for the purpose of satisfying himself as to the legality or propriety of the said decision or order and may, by order, direct any officer subordinate to him to apply to the Appellate Authority within six months from the date of communication of the said decision or order for the determination of such points arising out of the said decision or order as may be specified by the Commissioner in his order.*
>
> *(3) Where, in pursuance of an order under sub-section (2), the authorised officer makes an application to the Appellate Authority, such application shall be dealt with by the Appellate Authority as if it were an appeal made against the decision or order of the adjudicating authority and such authorised officer were an appellant and the provisions of this Act relating to appeals shall apply to such application.*

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(4) The Appellate Authority may, if he is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the aforesaid period of three months or six months, as the case may be, allow i to be presented within a further period of one month.

(5) Every appeal under this section shall be in such form and shall be verified in such manner as may be prescribed.

(6) No appeal shall be filed under sub-section (1), unless the appellant has paid-

> *(a) in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him and*
>
> *(b) a sum equal to ten per cent. of the remaining amount of tax in dispute arising from the said order, in relation to which the appeal has been filed.*

(7) Where the appellant has paid the amount under sub-section (6), the recovery proceedings for the balance amount shall be deemed to be stayed.

(8) The Appellate Authority shall give an opportunity to the appellant of being heard

(9) The Appellate Authority may, if sufficient cause is shown at any stage of hearing of an appeal, grant time to the parties or any of them and adjourn the hearing of the appeal for reasons to be recorded in writing :

> *Provided that no such adjournment shall be granted more than three times to a party during hearing of the appeal.*

(10) The Appellate Authority may, at the time of hearing of an appeal, allow an appellant to add any ground of appeal not specified in the grounds of appeal, if it is satisfied that the omission of that ground from the grounds of appeal was not wilful or unreasonable.

(11) The Appellate Authority shall, after making such further inquiry as may be necessary, pass such order as it thinks just

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and proper, confirming, modifying or annulling the decision or order appealed against but shall not refer the case back to the adjudicating authority that passed the said decision or order:

> *Provided that an order enhancing any fee or penalty or fine in lieu of confiscation or confiscating goods of greater value or reducing the amount of refund or input tax credit shall not be pass unless the appellant has been given a reasonable opportunity of showing cause against the proposed order:*
>
> *Provided further that where the Appellate Authority is of the opinion that any tax has not been paid or short-paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised, no order requiring the appellant to pay such tax or input tax credit shall be passed unless the appellant is given notice to show cause against the proposed order and the order is passed within the time limit specified under section 73 or section 74.*

(12) The order of the Appellate Authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision.

(13) The Appellate Authority shall, where it is possible to do so, hear and decide every appeal within a period of one year from the date on which it is filed:

> *Provided that where the issuance of order is stayed by an order of a court or Tribunal, the period such stay shall be excluded in computing the period of one year.*

(14) On disposal of the appeal, the Appellate Authority shall communicate the order passed by it to the appellant, respondent and to the adjudicating authority.

(15) A copy of the order passed by the Appellate Authority shall also be sent to the Commissioner or the authority designated by him in this behalf and the jurisdictional Commissioner of Central tax or an authority designated by him in this behalf.

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> *(16) Every order passed under this section shall, subject to the provisions of section 108 or section 113 or section 117 or section 118 be final and binding on the parties.*

5. So far as the facts of the present case are concerned, it is pertinent to note that the impugned Order was communicated to the Petitioner on 11th August, 2025. The Appeal was filed on 11th December, 2025. It is the reasoning of the Authority that the filing of the Appeal is delayed by a period of 2 days. Thus, the Respondents have proceeded on the assumption that the Petitioner's Appeal was filed beyond four months merely by calculating the period of limitation to file the Appeal as 120 days from the date of communication of the Order. We find that the impugned Order treats the statutory expression of 'months' used in Section 107(1) of the CGST Act as 'days' and have calculated the period of four months as equivalent to a fixed aggregate of 120 days.

6. Considering the language used in Section 107(4) of the CGST Act, it is evident that the same does not provide for a further period of '30 days' nor does it prescribe an aggregate period of '120 days'. The provisions of Section 107(1) and 107(4) of the CGST Act provides for calculation of period of limitation in 'months'.

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7. We find substance in the submissions of learned Counsel for the Petitioner that there is a clear distinction between a period expressed in terms of 'days' and a period expressed in terms of 'months' with regard to the statutory language, the period under Section 107(1) and Section 107(4) of the CGST Act is required to be computed as calender months and not by mechanically treating the combined period of limitation with condonation as an inflexible period of 120 days.

8. We therefore have no hesitation in allowing the present Petition as we find that the Appeal which is preferred is within the period of limitation as per Section 107 of the CGST Act. Hence, the following Order:

ORDER

(i) The Writ Petition (L) No.33751 of 2026 is allowed in terms of prayer Clause 'a'.

(ii) The Order No.JC/APP-II/GST-112/2025-26/United/Rejected dated 7th May, 2026 is quashed and set aside.

(iii) Consequently, the Appellate Authority to hear the Appeal on merits and in accordance with law.

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9. In view of above, Writ Petition (L) No.33751 of 2026 stands disposed of.

(SANDESH D. PATIL, J.) (M. S. KARNIK, J.)

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