

GIB/DL/ Brand Equity Treaties Limited /05.05.2020/HC-152

High Court Category : TRAN-1

State : Delhi

Order No.: GIB/DL/ Brand Equity Treaties Limited /05.05.2020/HC-152

Name of Entry :

Union of India v. Brand Equity Treaties Limited

Date : 05-05-2020

Breif Issue :

Fact & Issues Involved:

The Hon'ble Delhi High Court in the case of Brand Equity Treaties Ltd. pronounced on 5-5-2020 held that Rule 117 of the CGST Rules is directory in nature, as far as it prescribes the time-limit for transitioning of credit. In case the credit is not availed within the period prescribed, it would not result in the forfeiture of the rights. However, it does not imply that the availing of CENVAT credit can be in perpetuity. In absence of any specific provisions under the GST Act, the residuary provisions of the Limitation Act, the period of 3 years should be the guiding principle. Therefore, period of 3 years from the appointed date would be the maximum period for availing of transitional credit.

Decision of Advance Ruling Authority :

Decision:

The department filed SLP before the Hon'ble Apex Court against the above mentioned order of the Hon'ble Delhi High Court. The Hon'ble Apex Court has stayed the said order of Delhi High Court.