F. No. CBIC-20001/2/2026-GST
Government of India
Ministry of Finance
(Department of Revenue)
Central Board of Indirect Taxes & Customs
GST Policy Wing
****

Room No. 16039, Kartavya Bhawan-01
New Delhi, Dated: 26.10.2026

To,

The Principal Chief Commissioners/ Chief Commissioners (All)

The Principal Director General/ Director General (All)

Madam/Sir,

Subject: Clarification in respect of the omission of rule 96 (10) of the Central Goods and Services Tax Rules, 2017 -reg.

Attention is invited to the decisions of various Courts on the issue of retrospective applicability of omission of rule 96(10) of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "the CGST Rules"). Doubts are being raised by the tax officers as well as taxpayers on the issue as to whether in view of these judgements the omission of sub-rule (10) of rule 96 of the CGST Rules, made w.e.f. 08.10.2024 vide notification No. 20/2024-Central Tax, dated 8.10.2024, is applicable retrospectively from 23.10.2017 (date from which it was brought into effect), as ruled by the Courts.

2. The matter has been examined. In order to ensure uniformity in the implementation of the law across the field formations, the Board, in exercise of its powers conferred under sub-section (1) of section 168 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as "the CGST Act") clarifies the issues as under.

3. Rule 96(10) was introduced in the CGST Rules w.e.f. 23.10.2017, with the intention to prevent the double benefit to exporters, so that exporters who benefited from IGST exemption on procurement under specified notifications could not also claim IGST refunds on export of those goods. In the 54th meeting of the GST Council, held on 09.09.2024, in view of difficulty being faced by the exporters in respect of refund on exports due to restriction, imposed vide

rule 96(10), in cases where benefit of the specified concessional / exemption notifications is availed on the inputs, rule 96(10) of the CGST Rules was omitted prospectively w.e.f. 08.10.2024 vide the CGST (Second Amendment) Rules, 2024 (notified vide notification No. 20/2024-GST dated 08.10.2024).

4. Kind attention is drawn to the judgment dated 06.08.2026 passed by the Hon'ble Supreme Court in Special Leave Petition (Civil) No. 24550 of 2025, in the matter of *M/s Goodluck India Limited & Anr. v. Union of India & Ors*., along with other connected matters. The Hon'ble Supreme Court vide the said order, has held that in the absence of any saving clause or sunset clause accompanying the omission of rule 96(10) of the CGST Rules, the said omission applies to all proceedings pending as on the date of omission.

5. In the matter of M/s Goodluck India Limited, Hon'ble Supreme Court has relied upon the Constitution Bench judgment in *Kolhapur Canesugar Works Ltd. v. Union of India* [(2000) 2 SCC 536], wherein it was held that section 6 of the General Clauses Act, 1897 does not apply to the omission of a rule. The Hon'ble Court reiterated that, where a rule is omitted, pending proceedings can continue only where there is an express provision for their continuance, or a legal device has been incorporated in the statute/rules to preserve such proceedings.

6. In view of this decision of the Hon'ble Supreme Court, it is hereby clarified that the said omission of rule 96(10) of the CGST Rules will be effective retrospectively from 23.10.2017. Accordingly, the field formations are advised to deal with pending proceedings concerning rule 96(10) in accordance with the said judgment. It may also be noted that such a treatment shall apply, *mutatis mutandis*, in respect of omission of rules 89(4A) and 89(4B) as well.

7. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

8. Difficulty, if any, in the implementation of this Circular may be brought to the notice of the Board.

Yours faithfully,

(Gaurav Singh)
Commissioner (GST)

UNCOMPLYCATE
Simplifying Compliance