

Rule 96(10) Is Gone, and Retrospectively: What Circular 264 Means for Exporters

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The infographic features a teal background on the left and a yellow circular graphic on the right. The teal section contains the text 'REFUNDS' in a small black box, 'Rule 96(10) Omission' in large white font, and 'Retrospective from 23.10.2017' in smaller white font. The yellow circle contains the text 'CIRCULAR NO.' in small black font, '264' in large black font, and '/2026-GST' in smaller black font. At the bottom, a black bar contains 'Arpan Bohra & Co., Chartered Accountants' on the left and 'CBIC · 26.10.2026' on the right.

REFUNDS

Rule 96(10) Omission

Retrospective from 23.10.2017

CIRCULAR NO.
264
/2026-GST

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CBIC · 26.10.2026

For seven years, exporters who bought inputs under concessional or exempt notifications — advance authorisation, EPCG and similar — were told that their IGST refund on exports was barred by rule 96(10) of the CGST Rules, 2017. The rule was omitted from 8 October 2024. The question that has kept the High Courts busy is whether the omission helps only exports from that date or reaches back to 23 October 2017, when the rule came in. Circular No. 264/10/2026-GST, dated 26 October 2026, gives the Board's answer after the Supreme Court's ruling.

In short: the Board now accepts that the omission of rule 96(10) is **effective retrospectively from 23.10.2017**, and that pending proceedings on rule 96(10) are to be dealt with accordingly. The same treatment applies, mutatis mutandis, to the omission of **rules 89(4A) and 89(4B)**.

Seven years in five dates

From introduction to the Board's acceptance of the Supreme Court's ruling

23.10.2017

Rule 96(10) comes into force

09.09.2024

54th GST Council meeting recommends omission

08.10.2024

Omitted vide Notification 20/2024-CT

06.08.2026

Supreme Court: Goodluck India Ltd v Union of India — omission applies to pending proceedings

26.10.2026

Circular 264: omission effective retrospectively from 23.10.2017; same for rules 89(4A), 89(4B)

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Background in the Circular

Rule 96(10) came into effect on 23.10.2017 to prevent a double benefit: an exporter who enjoyed IGST exemption on procurement under specified notifications should not also claim IGST refund on export of the resulting goods. After difficulties raised by exporters, the 54th GST Council meeting on 09.09.2024 recommended its omission. It was omitted w.e.f. 08.10.2024 by the CGST (Second Amendment) Rules, 2024, notified vide Notification No. 20/2024-Central Tax dated 08.10.2024, *prospectively* as then notified.

The Supreme Court decision

Para 4 of the Circular refers to the judgment dated **06.08.2026** in SLP (Civil) No. 24550 of 2025, *M/s Goodluck India Limited & Anr. v. Union of India & Ors.*, with connected matters. The Court held that, in the absence of any saving clause or sunset clause

accompanying the omission, the omission applies to **all proceedings pending** on the date of omission. It relied on the Constitution Bench in *Kolhapur Canesugar Works Ltd v. Union of India* [(2000) 2 SCC 536], under which section 6 of the General Clauses Act, 1897 does not apply to the omission of a rule; pending proceedings continue only where an express provision or legal device preserves them. Reported coverage: [Verdictum](#).

Position stated by the Board (para 6)

1. The omission of rule 96(10) is effective retrospectively from 23.10.2017.
2. Field formations are to deal with pending proceedings concerning rule 96(10) in accordance with the judgment.
3. The same applies mutatis mutandis to the omission of rules 89(4A) and 89(4B).

Practical reading

Category	Reading of the Circular
Pending refund claims, show cause notices, appeals, writs involving rule 96(10)	To be dealt with in line with the Goodluck India ruling
Rejected refund claims where proceedings are no longer pending	Not specifically addressed; position depends on whether the matter was pending on 08.10.2024 and on limitation
Refunds under rules 89(4A) and 89(4B)	Same treatment, "mutatis mutandis"

Where views can differ

- **"Pending" as on the date of omission.** The ruling, as described in the Circular, turns on proceedings pending as on the date of omission (08.10.2024). A claim that was closed before that date, even if wrongly denied, may not be revived by the ruling alone; limitation and remedy then become the issue (litigative).
- **Para 6 versus the Circular's own reasoning.** Para 3 describes the omission as prospective by notification; para 6 treats it as retrospective by judicial effect. The practical consequence is that departmental objections based on rule 96(10) for the period 23.10.2017 to 07.10.2024 are unlikely to be sustained in pending matters.

- **Extension to 89(4A) and 89(4B).** The Circular extends this by a mutatis mutandis clause without separate reasoning. A taxpayer in a dispute on those rules should still plead the Circular and the underlying judgment (confirm).
- **Interest on delayed refunds.** The Circular is silent on interest; entitlement would follow section 56 and the facts (not addressed).

Litigation view

Issue	Risk to the department's position
Notices or refund rejections relying on rule 96(10) in pending matters	High
Recovery of refunds already sanctioned on the basis of rule 96(10)	High for the department
Closed matters	Uncertain; limitation and remedy to be assessed individually

Frequently asked questions

What was rule 96(10)? A restriction that denied IGST refund on exports where specified exemption or concessional notifications were used for inputs.

When was it omitted? With effect from 08.10.2024 by Notification No. 20/2024-Central Tax dated 08.10.2024.

What does the Circular say about the omission date? It clarifies that the omission is effective retrospectively from 23.10.2017.

Is there a deadline to apply under this Circular? The Circular does not state one; ordinary limitation and the stage of the proceedings will matter.

Does it apply to rules 89(4A) and 89(4B)? Yes, mutatis mutandis.

Sources

- CBIC Circular No. 264/10/2026-GST dated 26.10.2026 — [CBIC website](#).

- Notification No. 20/2024-Central Tax dated 08.10.2024; [Supreme Court of India](#) judgment dated 06.08.2026 in *Goodluck India Limited v. Union of India* (SLP (C) No. 24550 of 2025), as cited in the Circular and reported at the link above.

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