Hon'ble Supreme Court judgment dated 06.08.2026 in the matter of M/s Goodluck India Limited & Anr. v. Union of India & Ors. in respect of prospective omission of rule 96(10) of the CGST Rules, 2017

F. No. CBIC-20010/21/2026-GST

Government of India

Ministry of Finance

(Department of Revenue)

Central Board of Indirect Taxes & Customs

GST Policy Wing

Room No. 16049

Kartavya Bhawan-01, New Delhi

Dated:24-08-2026

OFFICE MEMORANDUM

Subject: Hon'ble Supreme Court judgment dated 06.08.2026 in the matter of M/s Goodluck India Limited & Anr. v. Union of India & Ors. in respect of prospective omission of rule 96(10) of the CGST Rules, 2017-reg.

The undersigned is directed to refer to the email received from the Legal Cell, CBIC, dated 19.08.2026, requesting the examination of 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.,[2026 (8) TMI 719 - Supreme Court] along with other connected matters, in which it has been held that in the absence of any saving clause accompanying the omission of rule 96(10) of the CGST Rules, 2017, the said omission applies to all proceedings pending as on the date of omission.

1.2. The Hon'ble Court has further observed that sub-rule (10) of rule 96 was omitted as it was "*leading to unnecessary complications without any intended benefit being served*," and that the recommendation for the omission to be prospective is advisory in nature and does not bind the rule-making authority. Accordingly, the restrictions contained in rule 96(10) cannot be applied to pending proceedings arising out of the omission of the said rule.

1.3. It is noted that the Hon'ble Supreme Court has relied upon the Constitution Bench judgment in Kolhapur Canesugar Works Ltd. v. Union of India [(2000) 2 SCC 536] = 2000 (2) TMI 823 - Supreme Court, 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. Similar opinion was also given by the Ld. Additional Solicitor General in an earlier reference on the matter.

2. It is also pertinent to note that following the judgement of the Hon'ble Supreme Court in Kolhapur Canesugar Works Ltd., saving clauses were incorporated in the Central Excise Act, 1944 and the Customs Act, 1962, by insertion of section 38A with retrospective effect from 28.02.1944, and section 159A with retrospective effect from 01.02.1963, respectively, vide the Finance Act, 2001. This was done in order to prevent any amendments or omissions in rules, regulations etc. from extinguishing any existing rights or ongoing legal cases. In the absence of such a clause in respect of the GST law, omission of a rule in essence takes retrospective effect.

3. Thus, in view of the judgment of the Hon'ble Supreme Court and the discussion above, this office is of the view that the judgment dated 06.08.2026 in the matter of M/s Goodluck India Limited & Anr. v. Union of India & Ors. [2026 (8) TMI 719 - Supreme Court] **may be accepted.**

4. This issues with the approval of Member (GST), CBIC.

(Kriti Pandey)

Under Secretary, GST Policy Wing