HC-KAR
CNR: KAHC010375042026

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 13TH DAY OF NOVEMBER, 2026

PRESENT

THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE

AND

THE HON'BLE MRS. JUSTICE K.S. HEMALEKHA

WRIT APPEAL NO.1527 OF 2026 (T-RES)

BETWEEN:

THE ASSISTANT COMMISSIONER OF CENTRAL TAX
GST COMMISSIONERATE, EAST DIVISION-9,
BMTC BUS STAND, HAL AIRPORT ROAD,
DOMALUR, BENGALURU - 560 071.

...APPELLANT

(BY SRI. UNNIKRISHNAN M., ADVOCATE)

AND:

M/S. VOLVO GROUP INDIA PRIVATE LIMITED
TAVAREKERE POST, HOSKOTE,
YELACHALLY VILLAGE,
BENGALURU RURAL,
KARNATAKA - 562 122
(REPRESENTED BY
SHRI ROHAN JOHN A D'SOUZA,
GROUP TAX INDIA DIRECTOR, HEAD OF TAX)
REGISTERED UNDER THE COMPANIES ACT, 1956.

...RESPONDENT

(BY SRI. RAVI RAGHAVAN AND
SRI. MOHAMMED IBRAHIM, ADVOCATES)

Digitally signed by
MAHALAKSHMI B M
Location: High Court
of Karnataka

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT, 1961 PRAYING TO SET ASIDE THE ORDER DATED 15.12.2025 PASSED BY THE LEARNED SINGLE JUDGE IN THE CASE OF WRIT PETITION NO.32359/2025.

THIS APPEAL, COMING ON FOR PRELIMINARY HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE
and
HON'BLE MRS. JUSTICE K.S. HEMALEKHA

ORAL JUDGMENT

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

1. For the reasons stated in the application, I.A No.2/2026, the same is allowed. The delay of 142 days in filing the appeal is condoned.

2. The Revenue has filed the present appeal, impugning an order dated 15.12.2025 passed by the learned Single Judge in W.P. No.32359/2025 (T-RES). The respondent filed the said writ petition, *inter alia,* impugning Rule 96(10) of the Central Goods and Services Tax Rules, 2017 [**CGST Rules**]. Additionally, the respondent challenged the Order-in-Original dated 21.07.2025, passed by the Assistant Commissioner, Central Tax, East Division, Bengaluru, whereby the respondent's application seeking a refund of ₹4,38,95,926/- on account of the Integrated Goods and Services Tax [**IGST**] paid on the export of finished goods during the month of March, 2020 was rejected under Rule 96 of the CGST Rules read

with Section 54 of the Central Goods and Services Tax Act, 2017 [**CGST Act**].

3. It is stated that during the course of the writ petition, Rule 96(10) of the CGST Rules was deleted by a notification dated 08.10.2024. However, the Revenue argues that the said notification is prospective and does not affect refunds claimed for the earlier period.

4. The learned Single Judge, following an earlier decision of this Court in **M/s Hikal Limited vs. Union of India and others**[1] directed grant of refund.

5. The learned counsel appearing for the Revenue handed over a recent decision of the Supreme Court in **Goodluck India Limited and Another vs. Union of India and others**[2], whereby the said issue stands authoritatively settled. The Supreme Court following the Constitution Bench decision in **Kolhapur Canesugar Works Ltd. v. Union of India**[3] held that the proceedings under an omitted rule could not be continued. The Supreme Court found that since

[1] Writ Petition 15251/2020 dated 09.12.2025
[2] 2026 SCC OnLine SC 1523
[3] (2000) 2 SCC 536

there was no savings clause or a sunset clause in respect of Rule 96(10) of the CGST Rules proceedings, the said rule could not be kept alive. Paragraph 7 of the said decision is set out below:

> "**7.** The Constitution Bench decision applies squarely in the above case. We may also observe that even going by the recommendations as extracted hereinabove, sub-rule (10) of Rule 96 was omitted because it was '*leading to unnecessary complications without any intended benefit being served' (sic)*. As fairly submitted by the learned ASG the legislature has not brought in any saving clause or a sunset clause, when sub-rule (10) of Rule 96 was omitted. The recommendation that the omission should be prospective is also advisory in nature and does not bind the rule making authority. The intention to omit the rule without any saving clause was to bring to an end, the unnecessary complications once and for all and the intention cannot be to keep alive the unnecessary complications insofar as the pending proceedings are concerned."

6. The learned counsel for the respondent also points out that the Central Board of Indirect Taxes and Customs has issued a Circular dated 26.10.2026 (Circular No.264/10/2026-GST) clarifying that the omission of Rule 96(10) of the CGST Rules would be effective retrospectively from 23.10.2017.

7. In view of the above, we find no ground to interfere with the impugned order. The appeal is, accordingly, dismissed.

8. The pending interlocutory application also stands disposed of.

Sd/-
(VIBHU BAKHRU)
CHIEF JUSTICE

Sd/-
(K.S. HEMALEKHA)
JUDGE

MBM
List No.: 2 Sl No.: 9