



THE INDIRECT EDGE

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BANSI S. MEHTA & co.

I. JUDICIAL PRONOUNCEMENTS

GOODS AND SERVICES TAX

Validity of consolidated SCNs under GST referred to Larger Bench

The Bombay HC in case of **M/s. Rollmet LLP v. UoI**¹, has examined the validity of consolidated SCNs issued u/s. 73 and 74 of the CGST Act covering multiple financial years.

The Court prima facie observed that Sections 73 and 74 are adjudication provisions, not assessment provisions. Their subject matter is a specified tax dispute, not a tax period. The limitation under Section 73(10)/74(10) governs the passing of orders and does not restrict the issuance of SCNs under sub-section (1). The two are independent statutory

concepts. Sub-sections (3) and (4) themselves use "for any period" and "for such periods," indicating that multi-period notices were always within the legislature's contemplation.

The earlier Bombay HC ruling in *Milroc Good Earth Developers* [(2026) 104 GSTL 45] which had held bunching invalid has been doubted as possibly *per incuriam*.

However, in view of the importance of the legal issue involved, the HC refrained from rendering a final ruling and has referred the matter to a Larger Bench for authoritative determination. Interim protections granted earlier will continue until such time.

CUSTOMS

Foreign exporters are not liable for mis-declaration by importer

The Bombay HC in **Karl Mayer STOLL v. UoI**² has held that a foreign exporter cannot be held liable for the acts or misdeclaration of goods by an Indian importer.

In the case before the HC, the importer had allegedly misdeclared the goods and claimed exemption under Notification No. 12/2012-CE dated 17 March 2012. The department sought to implicate the foreign exporter on the grounds of alleged active involvement.

The Court clarified that the exporter's responsibility ordinarily concludes upon shipment of goods, and that obligations relating to classification, declaration, and payment of duty rest with the importer. In

the absence of evidence demonstrating active involvement or abetment, no liability can be fastened on the foreign exporter.

The Court further observed that the extraterritorial application of the Customs Act, 1962 arose only pursuant to the amendment to Section 1 with effect from 29 March 2018, which operates prospectively. Accordingly, proceedings cannot be initiated against a foreign exporter for the pre-amendment period.

In light of the above, the proposed penalties under Sections 112 and 114AA of the Customs Act were held to be unsustainable, and the show cause notice was quashed for lack of jurisdiction and legal basis.

¹ 2026 (4) TMI 1218 - BOMBAY HIGH COURT

² 2026 (4) TMI 957 - BOMBAY HIGH COURT

II. Circular

RAJASTHAN INVESTMENT PROMOTION SCHEME

Benefit of RIPS extended to solar module manufacturing

The Government of Rajasthan has introduced key amendments to its investment promotion framework to strengthen industrial incentives.

Under the Rajasthan Investment Promotion Scheme, 2024 (“RIPS 2024”), the scope of “Renewables Manufacturing” has been expanded to also include manufacturing of solar modules and integrated solar cells and modules. The scheme also now provides a specific definition of “Solar Module Manufacturing”. Consequently,

solar module manufacturing units are now explicitly eligible to avail benefits under RIPS 2024.

Further, under the Rajasthan Investment Promotion Scheme, 2019 (“RIPS 2019”), the Government has extended the operative period of the scheme by one year, i.e., up to 31 March 2027. This extension, however, is limited to enterprises that had already obtained entitlement certificates on or before 31 March 2026.

PROFESSIONAL TAX

Extension for filing PTRC return in Maharashtra without late fees

The Government of Maharashtra has extended the due date for filing Profession Tax (PTRC) returns for March 2026 as well as the annual return for FY 2025–26 to 30 April 2026.

It has also been clarified that no late fees will be levied in cases where the tax liability is nil or has been duly discharged on or before 15 March 2026 and the return is filed


on or before 30 April 2026. However, late fees will be applicable in all other cases.

This relaxation has been granted in view of technical glitches faced by taxpayers on the newly implemented portal, with the objective of facilitating smoother compliance. The waiver of late fees is conditional upon filing the returns within the extended due date.

III. News Updates

Government to review customs benefit for battery storage

The Government of India is reviewing customs warehousing benefits available under the MOOWR Scheme for imported battery energy storage systems, following



concerns raised by the renewable energy industry.

Under the MOOWR scheme, import duties on goods can be deferred until their clearance for domestic consumption or export. However, it has been observed that certain developers may be availing these benefits for imports ultimately used for domestic consumption, without any export linkage.

This has resulted in an uneven playing field, with developers using the warehousing route enjoying a cost advantage over other importers.

In response, the Ministry of Finance is expected to consult with the Ministry of Power and the Ministry of New and Renewable Energy to evaluate whether the existing framework requires modification.

Abbreviations	Term	Abbreviations	Term
BCD	Basic Customs Duty	UoI	Union of India
CESTAT	Customs, Excise and Service Tax Appellate Tribunal.	SEZ	Special Economic Zone
CGST Act	Central Goods & Service Tax, 2017	ITC	Input Tax Credit
CGST Rules	Central Goods & Service Rules, 2017	IGST	Integrated Goods & Service Tax
MOOWR	Manufacture and Other Operations in Warehouse	SCN	Show Cause Notice
dt.	Dated	GST	Goods & Service Tax
DTA	Domestic Tariff Area	RIPS	Rajasthan Investment Promotion Scheme
PTRC	Professional Tax Registration Certificate	u/s.	Under section
SC	Supreme Court	HC	High Court

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