Q.No.1 Please indicate whether the following statements are TRUE or FALSE? All parts of this question are compulsory.

(i) In the case relating to Valuation, an appeal against the order of CESTAT lies before the Central Government.
(ii) The Central Government issues notification under Section 5A of the Central Excise Act, 1944 granting exemption from payment of Central Excise duty.
(iii) In case of valuation, an appeal against the CESTAT's Order can be directly filed before the Supreme Court.
(iv) The Provisions of Central Excise Law have not been extended to Jammu and Kashmir.
(v) There is no time limit for issuing demand for recovery of interest payable if the same has not been paid.
(vi) There is certain time limit to issue notice under section 11D to demand duty in cases where a person has collected any amount in excess of duty assessed or determined and paid.
(vii) A manufacturer is allowed to avail CENVAT credit of the Additional Duty of Customs equivalent to duty of excise, on imported inputs as paid under section 3 of the Customs Tariff Act, 1975.
(viii) If the capital goods on which CENVAT credit has been taken, are removed as waste and scrap, the manufacturer will have to pay an amount equal to credit availed.
(ix) Commissioner (Appeals) cannot condone delay in filing appeal beyond the period of 90 days.
(x) Provisional assessment can be ordered by the department even if, assessee has not requested for the same.
(xi) For recovery of interest short paid, there is no time limit for issuing demand.
(xii) The CENVAT Credit Rules, 2004 do not allow availment of CENVAT Credit of excise duty paid on Light Diesel oil, High Speed Diesel Oil or Motor Spirit.
(xiii) In the case relating to Rebate of duty, an appeal against the order of Commissioner (Appeals) lies before the Central Government.
(xiv) First Stage Dealer is not bound to file monthly return with the Central Excise Department.
(xv) The Asstt. Commissioner/Deputy Commissioner of Central Excise can issue search warrant.
(xvi) CENVAT Credit cannot be used for payment of interest.
(xvii) An assessee can choose not to avail exemption if the notification is conditional.
(xviii) There is only one commodity under Central Excise Law where the duty payable is to be assessed by the department before removal thereof.
(xix) Provisional assessment can be ordered by the department even if, the assessee has not requested for the same.
(xx) Show cause notice during the audit can be issued by the Audit Commissionerate but it has to be adjudicated by the Executive Commissionerate only.

Q.No.2 Please indicate the relevant section of the Central Excise Act, 1944 and/or Rules made there under whereby following subjects are governed :-

(i) Compounded levy scheme
(ii) Power to grant exemption from duty of excise
(iii) Provisional attachment of property to protect revenue
(iv) Power to arrest in Central Excise cases
(v) Self-assessment of Central Excise duty
(vi) Remission of Central Excise duty
(vii) Confiscation & penalty for wrongful availment & utilization of CENVAT credit
(viii) Rebate of duty paid on export of goods
(ix) Removal of capital goods as such
(x) Interest on delayed Refund

Q.No.3 Answer the following questions, each carry equal marks. [3x10=30]

a) What is Central Excise/Service Tax Audit?
b) Who conducts the Audit?
c) What is/are the criteria for selection of the units for audit?
d) If an assessee is having multi location manufacturing units, who conducts audit in such a case?
e) Under what authority department conducts Central Excise and Service Tax audit?
f) What is the next course of action if the Department does not agree with the reply of assessee during the audit?
g) Who can arrest a person in Central Excise?
h) Who can seize excisable goods within the factory premises or seize vehicle or any other non excisable goods or documents etc. under Central Excise Act.
i) Who can search ‘Registered Premises’ under Central Excise Act and under what Rule?
j) Who can issue summons to the assessee and under which section of the Central Excise Act and for what purpose?

Q.No.4 Answer the following:-

(i) A DTA unit X purchases goods from a 100% EOU. Calculate the CENVAT credit available to unit X on purchase of 5000 units of goods if assessable value of goods is Rs.600/unit. The rates of basic Customs Duty and Additional Duty of Customs (CVD) are 10% and 12% respectively. Rate of Central Excise duty as specified in 1st schedule of Central Excise Tariff on such goods is 12.5%. [08]

(ii) A unit XYZ manufactures two products namely, Product A and Product B. Product B is a specified product under Section 4A of Central Excise Act, 1944. The sales prices of both the products A and B is same as Rs.40/unit. The sales price of both the products included 10% Excise duty as BED and 8% Excise duty as SED. It also includes VAT of 4%. Deduction permissible under section 4A is 30%. The quantity of manufactured goods cleared are as follows:

Product A: 1,00,000 units
Product B: 3,00,000 units

Calculate the total Excise duty liability of XYZ Ltd., on both the products? [12]

Q.No.5 During the search of a factory and office premises of an assessee on 15 June, 2017, certain incriminating documents were recovered, which indicated that the assessee had suppressed the production and cleared the goods clandestinely without payment of duty. Stock taking of finished goods showed shortage of goods. It was also noticed that the assessee had not filed returns for 2 months. It was also observed that the assessee had claimed benefit of an exemption which was not available to them.

Please write the provisions of Central Excise Rules, contravened by the assessee. [10]

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