Q.No.1 Comment on the following statements in terms of statutory provisions of Central Excise Act, Rules and Allied laws if applicable. Answer may be restricted to 50 words. [2.5 x 8=20 Marks]

(a) Steel items like Angles, Channels, beams, plates may be essential for the expansion work in a sugar factory in erecting the machinery of various type like boilers, diffusers and for maintaining gravity flow. However availability of Cenvat Credit would depend upon its eligibility under Cenvat Credit Rules, 2004.

(b) Value of moulds, dies and tools developed for manufacture of Motor Vehicle parts to be treated as additional consideration and its amortized value to be included when cost, thereof, reimbursed by customers.

(c) The digitally signed invoices can be issued by a manufacturer and such invoices can also be used for transportation of goods as well.

(d) Show Cause Notice is not required to be issued in remand proceedings.

(e) Redemption fine cannot be imposed when goods are physically not available for confiscation.

(f) Definition of exempted goods given under Rule 6 has been widened to include non-excisable goods also.

(g) The interest rates for delayed refunds and the interest rates for delayed payment of duty are totally different.

(h) Subsidy given by government in cash or otherwise in order to boost the industrial Development is liable to be included in transaction value.

Q.No.2 Answer any four of the following. Answers should not exceed 100 words. [5 x 4=20 Marks]

(a) How the expression “assessment” is defined in Central Excise Rules 2002. What are the main ingredients of assessment?

(b) The duty cum selling price of a product is 32,000/-, the total deduction amounts to Rs.2,000/-. If the rate of duty is 10% ad valorem, find out the assessable value of the product?

(c) What is transaction value? If two invoices are issued to two different buyers at different rates, whether both the values can be treated as assessable value for payment of duty? Give justification in support of your answer.

(d) A manufacturing unit made clearances of excisable goods to the tune of 40 Lakhs during the Financial Year 2014-15. The unit also received labour charges of Rs.1,20,00,000/- for job work during the same period. Whether, the unit is required to be registered under Central Excise Rules? Give justification in support of your answer.
A unit had to pay Central Excise duty of 4 lakhs for the month of May, 2015. Due to certain unavoidable circumstances, he could pay only Rs. 3.60 Lakhs on 6th of June 2015. The rest duty of Rs. 40,000/- was paid on 26th Sept. 2015. Calculate the amount of interest which was liable to be paid for such delayed payment of duty? Take rate of interest as 18% per annum.

Q.No.3 Answers all part of the questions.

(a) State situations where a manufacturer can claim remission of Central Excise duty on manufactured goods. Whether such remission is admissible before removal of goods from the factory or after removal of goods from the factory or in both cases?. Justify your answer.

[5 Marks]

(b) An EOU unit is selling goods to Indian Customer in Domestic Tariff Area (DTA). He is using imported raw materials for manufacturing these goods. He is selling the goods in DTA at Rs. 200/- per piece and has sold 2000 pieces. Rate of Basic Customs duty rate is 10% and Central Excise duty rate is 12%. Ignore Education Cess and S.H.E.Cess for purpose of calculation. Now, on the basis of data given, please calculate the duty leviable in the following three situations:-

[10 Marks]

(i) Calculate the excise duty to be paid by EOU assuming that the unit is not eligible for Central Excise duty exemption under notification No. 23/2003-CE, dated 31.03.2003.

(ii) Calculate the excise duty to be paid by EOU assuming that the unit is eligible for duty exemption under notification No. 23/2003-CE, dated 31.03.2003.

(iii) Calculate Central Excise Duty payable when the unit is not an EOU?

(c) Write a note on the matter with respect to which an appeal does not lie before the CESTAT against any order passed by the Commissioner (Appeal) under Section 35B of Central Excise Act, 1944.

[5 Marks]

Q.No.4 Answer all parts of the following question.

(a) A limited Company manufactured dutiable goods of Rs. 10 Lakhs and exempted goods of Rs. 5 Lakhs (excluding taxes and duties) the total Cenvat Credit available to them on input goods and inputs services in Rs. 75,000. Company is not in position to bifurcate this credit between dutiable goods and exempted goods. How would you deal with this situation in terms of statutory provisions under Cenvat Credit Rules 2004? Calculate the amount of reversal of Cenvat credit in each situation.

[10 Marks]

(b) Give examples of the commodities (name at least two commodities under each category except in case of (i) below) manufactured by the Central Excise Registered unit falling in the following categories?

[2.5 x 4= 10 Marks]

(i) Excisable goods which is subjected to Physical Control?

(ii) Excisable goods which are subjected to compounded levy Scheme?

(iii) Excisable goods which are subjected to specific Rate of Duty?

(iv) Excisable goods which are subjected to MRP Based assessment of duty?
Q.No.5  **Answer all parts of the questions.**

(a) Compute assessable value of excisable goods for levy of Central Excise duty and excise duty payment on the basis of following information:  

(i) Gross price excluding VAT of Rs.2500/- but including applicable excise duty - Rs.25,000/-
(ii) Packing cost (charged separately in invoice but included in aforesaid gross price.) – Rs.2520/-
(iii) Cost of durable and returnable packing used for transporting goods upto destination (Not charged in invoice) – Rs.3000/-
(iv) Outward freight arranged at request of the customer and charged separately in invoice (including in aforesaid gross price) Rs.2250/-
(v) Trade discount (given as deduction from aforesaid gross price - Rs.1500/-
(vi) Rate of excise duty – 12.50% (Ignore Education Cess and SHE Cess for calculation purpose)

(b) Explain admissibility of remission of excise duty in following cases –  

(i) Finished goods stored in store room of the factory were found Stolen.
(ii) Finished goods were cleared from the factory by preparing excise invoice and during transit to the place of Customer; the goods are damaged due to road accident.

Q.No.6  Explain **any five** of the following.  

(i) Explain difference between Tariff Rate of duty and Effective Rate of duty?
(ii) Explain difference between export and deemed export?
(iii) Explain difference between manufacture and job work?
(iv) Explain the term “Doctrine of unjust enrichment”
(v) Explain difference between Refund and Rebate.
(vi) Explain term “De-novo Adjudication”.

Q.No.7  **Explain the following:-**

(a) Provisions relating to Special Audit in certain cases under section 14A of the Central Excise Act, 1944.  

(b) Recovery of sum under Section 142 of the Customs Act, 1962 as made applicable to Central Excise.

(c) ABC Associates is a Small Scale unit located in a rural area and is availing the benefit of Small Scale exemption under Notification No. 8/2003-CE in the year 2012-13. Determine the value of the first clearance and duty liability on the basis of data given below:

(i) Total value of clearances of goods with own brand name – Rs. 80,00,000/-
(ii) Total value of clearances of goods with brand name of other parties – Rs90,00,000/-
(iii) Clearances of goods which are totally exempt under another notification (other than an exemption based on quantity or value of clearances)–Rs. 40,00,000/-
Take Normal rate of Excise duty is @12%. Education Cess and SAH Education Cess is @ 3% of excise Duty. Calculations should be supported with appropriate notes. It may be assumed that the unit is eligible for exemption under Notification No.8/2003-Central Excise. [10 Marks]

Q.No.8 A manufacturer named XYZ is engaged in manufacture of excisable goods but not registered in Central Excise. The officers of Preventive Branch gathered information from Trade Tax Department and came to know that the clearances of said manufacturer has exceeded from Rs. 150 lakhs. The officers, on strength of a Search Warrant, raided the manufacturing premises of said manufacturer and seized unaccounted goods, incomplete Daily Stock Account, Clearance Invoices along with other documents and prepared Panchanama. On scrutiny of invoices the clearance value was found to be Rs. 250 lakhs. Applicable rate of duty during the relevant period was 12%. Ignore Education Cess and S.H.E.Cess for duty calculation purposes.

In the light of the above said facts, answer following questions:- [5 x 4= 20 marks]

(i) Calculate the Central Excise duty recoverable from the assessee?

(ii) Identify the provisions of Central Excise Acts and Rules, which have been contravened in this case?

(iii) Identify the provisions under which Central Excise duty can be demanded from the unit?

(iv) Whether extended period of limitation can be invoked or not? Please justify your answer.

(v) Mention the Penal provisions under Central Excise Rules/Act, which can be invoked in the SCN to be issued to the unit.

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