Q1 a) 1) Execisable

2) 90 lacs

3) is

4) is not

5) can

6) is

7) 12

8)

9) is

10) does

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Q.2 a) Significance of the leavy of ~~duty~~ anti dumping duty –

most of times. abroad manufactures export their goods at very low prices compared to India, to prevent in export market such dumping may be with intention to cripple domestic industry or dispose their stock. This is called dumping. To avoide such dumping or unfair practice and save domestic industries Govt. can impose under section 9A of Customs tariff act, anti-dumping duty. If goods are sold out at less than it's normal value, levy of anti dumping duty is permisible as per WTO agreement. Anti-dumping action can be taken only when there is an Indian industries producing like articles

Q.2b) Transaction value under central Excise Act –

Transcation value would be subject to the charging provisions contained in section 3 of the act.

Sec 4(3)(d) defines transaction value – Transaction value means the price actually paid or payable for the goods, when sold and includes in addition to the amount charged as price, any amount that the buyer is liable to pay or as behalf of the assessee by reason of as in connection with the sale, whether payable at the time of sale or at any other time, including, but not limited to any amount charged for or to Make provision for, advertisment or publicity Marketing and selling, organization expenses. Storage, outward handling, serviceing, warranty Commission or any other Matter but does not include the amount of duty of excise, Sales Tax and other taxes, if any actually paid or actually payable on such goods.

Main requirement of transaction Value -

1) price actualy Paid or payable
2) price is for the goods.
3) price includes any amount that the buyer is liable to pay to or on behalf of assessee. Thus, Payment Made by buyer to another person on behalf of assessee will be includiable.
4) The payment should be by reson of or in connection with the sale.
5) The payment should be payable at the time of sale or at any other time, i.e. before.
6) The amount should be paid or payable to assessee or on behalf of asseessee and payment should be by reason of sale or in connection with sale.

(Q-3 a) Special audit under Section 14AA of CEA -

As per section 14 AA of CEA, Special audit of cenvat credit availed or utilised can be ordered by Commissioner of Central excise. Such audit can be ordered if the Commissioner of CE has reason to belive that -

1) Cenvat credit availed or utilised is not within the normal limits, having regard to nature of final products and type of inputs.

2) Cenvat credit has been availed or utilised by reason of fraud, collusion or any willful misstatement or suppression of facts.

b) Such audit can be done ~~or~~ Conducted by practising Cost accountant to be appointed by Commissioner of C.E.

c) Special audit for valuation under section 14 A can be ordered at any stage of enquiry, investigation or any procedings before Assistant / deputy commissioner regarding assessable value of the goods manufactured by assessee, If the Assistant / deputy Commissioner is of the opinion that value has not been correctly declared by a Manufacturer or any person.

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Or utilised by a Manufacture can be ordered under section 14AA. If commissioner has reason to believe that cenvat credit availed is not normal or the credit has been availed on account of fraud, willful misstatement, suppression of facts or collusion.

d) In case of special audit of cenvat credit the audit report has to be submited within the period prescribed by the Commissioner under sec 14 AA (2) of CEA.

Q4 a) General exemption and concession given to SSI unit -

Various concession are given to SSI units to encourage their growth and also on account of administrative convenience.

SSI unit whose turnover is less than Rs. 4 Cr are eligible for the concession. In SSI unit does not avail cenvat on input, turnover upto Rs. 150 lac is fully exempted, and if SSI unit availes cenvat on inputs, it has to pay normal duty on all clearance and no SSI exemption is available.

SSI units have been given two types of exemptions.

1) SSI unit can avail full exemption upto Rs. 150 lac and pay normal duty thereafter. Such unit can avail cenvat credit on input only after reaching turnover of Rs. 150 lac in financial year.

2) SSI unit can also pay full 100% duty and avail cenvat credit.

Q45) SSI exemption is available if aggregate value of Clearance of all excisable goods for home Consumption by a Manufacturer from one or More factories, or from More factories, as from a factories by one or More Manufactures does not exceeds the prescribed limit of Rs. 4 crore.

If the Same Manufacturer i.e. firm with same partners ~~as~~ same limited Company or same proprietor has More than one factory, turnover of all factories will be clubbed together for calculating the limit of Rs. 150 lac or 4 Cr.

Thus, M/s RPL has three Units, total turnover Rs. 350 lac and individual turnover of each unit is below 150 lac So that, then will be available SSI exemption and will be enjoied all benefits of SSI Unit's exemption Under Central excise act.

(Q.5a) Provision under the Customs act relating to import through Courier -

Import through Courier is treated as import as any other Mode. It is not treated as baggage. There is no restriction on value of goods that can be brought through Courier. The duty payable is normal duty as applicable to all other goods normally imported by ship or air transport. Duty concessions if any are also permissible.

Courier import and exports clearance regulations 1998 specify the procedures, which are summarised in chapter 17 of EBERC's customs Manual, 2001.

Importability of an item through Courier shall be regulated as per FTP.

If goods are imported through Courier he submits a consolidated bill of entry. If an importer wants to avail cenvat credit, he should file a normal individual Bill of entry, which can then be used to avail Cenvat Credit.

Courier should be registered. He can have single registration. He has to apply to Commissioner of custom in form A. once he registered with one custom authority, he can carry on business in all customs stations in country, after informing jurisdictional commissioner of customs in form A.

Q 5b) 1) Identical goods -

Identical goods defined under Rule 2(1)(d) of Customs valuation Rule, as those goods which fulfill all following conditions.

i) The goods should be same in all respects, including physical character, quality, and reputation; except for minor difference in appearance that do not affect value of goods

ii) The goods should have been produced in the same country in which the goods being valued were produced.

iii) They should be produced by same Manufacturer who has Manufactured goods under valuation If price of such goods are not available, price of goods produced by another Manufacturer in the same country.

2) Similar goods -

Similar goods defined in Rule 2(1)(F) of Customs valuation Rule - 1) A like in all respect have like characteristic and like components and perform same functions. These should be commercially inter-changable with goods being valued as regards quality, reputation and trade Mark. 2) The goods should have been produced in the same country in which the goods being valued where produced. 3) They should be produced by same Manufacturer who has Manufactured goods under valuation - If price of such goods are not available. price of goods by another Manufacturer in same country can be considered.

Q.6 a) General exemption available to Small Service providers -

The Small Service provider whose turnover of taxable services from one or More ~~per~~ permises did not exceed Rs. 10 lacs, will be exempt from service tax, in next F.Y.

for the purpose of determining eligibility in current year, what is relevant is that aggregate value of taxable services rendered in previous financial year should not exceed Rs. 10 lacs, while for purpose of exemption upto first Rs. 10 lacs in current year, service tax is exempt to the extent of aggregate Value not exceeding 10 lacs. i.e. the sum total of first consecutive payment received during the current financial year.

The exemption to Small Service Provider is availeble subject to following conditions -

1) The provider of taxable service shall not availe input of services for cenvat.

2) Exemption is available on agreegate Value of all services and provided for all primices.

3) The taxable service provided by a person under a brand name or trade name, whether registered or not, of another person, will not be eligible for exemption availeble to Small Service provider.

4) Person providing taxable service in excess of Rs. 9 lac per annum will have to registed with Superintendent of central excise under Service tax.

Q.6b) Registration under Service Tax.-

A person liable for paying service tax has to register with Superintendent of Central Excise under whose jurisdiction of primises fall. Registration must be within 30 days from date of Commencement of the business of providing taxable service. The person will have for registration in form ST-1. If a person is providing more than one taxable service, he may apply for a single application and he should mention in the application all the taxable services provided by him under Rule 4(4)

Applicant have to submit following document at the time of registration.

1) Copy of PAN. 2) Proof of residence
3) Constitution of applicant.

The registration certificate will be granted by department in form ST-2. Registration No. i.e. Service Tax Code is a 15 digit i.e. PAN based number.

In some cases, a person liable for paying service tax on a taxable service -
1) provides such service from more than one primises or offices 2) Receives such service in more than one primises or offices 3) Is having more than one primises, which are engaged in relation to such service in any other manner making such person liable for paying tax, in those case, such person can obtain centralized Registrati