

(6)

CEL

Marks

- (c) The customs authorities had confiscated the gold carried by Mr. Lovegold from Bahrain. Mr. Lovegold informed the customs authorities that he was filing an appeal against the order of confiscation. The customs authorities informed Mr. Lovegold that the confiscated goods had been handed over to the warehouse of the custom house for disposal and consequently auctioned the confiscated goods. Discuss briefly the validity of the action taken by the customs authorities with the help of decided case law. Also discuss the validity of the claim of Mr. Lovegold in seeking market value of the confiscated goods and whether he is liable to pay the duty, fine and penalty imposed by the original authority. 5

4. (a) C & C Co. Ltd., manufactured non-alcoholic beverage bases known as concentrates. These were sold to bottling companies who in turn sold the aerated beverages manufactured from the concentrates to distributors. These were then sold to retailers and thereafter to the ultimate consumers. The advertisement and market research activities were undertaken by M/s. C & C Co. Ltd.. Input credit of service tax paid on the advertising service used for marketing of soft drinks removed by bottlers was claimed by M/s. C & C Co. Ltd. This credit was denied on the ground that advertisements did not relate to the concentrates manufactured by M/s. C & C Co Ltd. Discuss briefly with reference to decided case law whether M/s. C & C Co. Ltd. are eligible to avail cenvat credit paid on advertising services which were utilised towards payment of excise duty on concentrates. 5

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