Total No. of Questions - 7 | Total No. of Printed Pages - 6

Time Allowed – 3 Hours | Maximum Marks – 100

Question No. 1 is Compulsory &
Candidates are required to attempt any 5 questions from remaining 6 questions

Wherever appropriate, provide suitable assumption(s) and indicated in the answers

Working Notes should form part of the answer.

1(A). Umang Ltd, engaged in manufacturing of dutiable and exempted goods, provides information for the month January, 2015 as under for computation of Excise Duty in cash considering Rule 6 of Cenvat Credit Rules 2004: *(Rs in Lacs)*

1	Total Value of Dutiable Goods Removed (Duty 12.36%)	100.00
2	Total Value of Exempted Goods Removed	20.00
3	Total Value of Dutiable Goods Covered under MRP (Rule 4A), MRP Being 35.00 Lacs with Abatement of 40% (Duty 12.36%)	25.00
4	Total Value of Clearance to SEZ Units (for authorised operations)	30.00
5	Total Value of Clearance falling under Notn 12/2012 (Duty 1.03%)	10.00
6	Total Value of Traded Goods SP = 20.00, CP = 15.00, COGS = 14.00	
7	Total Cenvat Credit on Input (Common, No Separate Books Maintained)	17.00

(5M)

1 (B). Mahavir Properties Pvt Ltd provides following information for deriving its service tax liabilities for the month February 2015:

1	Mahavir Square, a building is let out to Harsh Ltd for official use @ Rs 1 Lac per month rent from June 2013. Municipal Tax Rs 1 Lac per annum are to be paid by tenant over and above rent.
2	Suraj Cinema is let out on a monthly rent of Rs 2 Lacs from December 2014
3	Vacant Urban Land at Varsamedi is let out on monthly rent Rs 0.25 Lacs for animal husbandry.
4	Building Located in Muscat (Oman) is let out to Prabal Engineers (fixed establishment at Mandvi Gujarat), rent at its converted value being Rs 20.00 Lacs.
5	Since from Feb 2015, they had been in business of Guest House wherein Tariff Value is Rs 1000 per room per day but they actually charge Rs 700 per room per day. Days Operated = 45 days.

(5M)

1 (C). Tazza Caterers Pvt Ltd provides information for February 2015 as under to derive its service tax liability: *(Rs in Lacs)*

1	Outdoor Catering Services to Modern School within its premises	15.00
2	Providing Foods to Government School under Mid Day Meal Programme	10.00
3	Providing Catering Services to Khanna Family along with supply of Food	50.00

	& Drinks. FMV of Goods Supplied by Khanna Family (Free of Cost) = Rs 20.00	
4	Providing Catering Services (With No Food & Drinks) to Khurana Family	25.00

(5M)

1 (D). Ford Motors Pvt Ltd imported Ford Focus from Brazil for test purpose of the vehicle in India, thereby paying import duty Rs 5.00 Lacs. They tested the vehicle in India for 8 months and 26 days & re-exported same to Ford Brazil after 9 months and 2 days. Compute the eligibility of Drawback if any available in this case. **(5M)**

2(A). Mesaram, an Indian Resident & Carpenter by profession was engaged in his profession in Dubai for 1 year 8 months and 6 days, brought with him on 26.2.2015, the following items on his return to Jaipur: (Rs)

1	Used Personal Effects like clothes	1,00,000
2	Sony HDR Camera	75,000
3	Jewellery	45,000
4	Used Household Articles	20,000
5	Professional Equipments	40,000
6	Samsung Led Tv	30,000

(4M)

2(B). Jumani Brothers Ltd (of Delhi) have organised Dance Entertainment Show at Macau wherein Deepika Padukone (of Mumbai) will be performing Dance for which she will be paid Rs 75.00 Lacs. State the consequences of Service Tax in this matter with properly defining the Place of Provision also. **(4M)**

2 (C). Shri Siddhivinayak Travels Pvt Ltd provides following information for the month December 2014 to quantify their service tax liability from following information:

		(Rs)
1	Receipts from Radio Taxi Operations – Air Conditioned (Excl Service Tax)	10,00,000
2	Receipts from Radio Taxi Operations – Non Air Conditioned (Excl Service Tax)	5,00,000
3	Expense for Sub Letting Radio Taxi Operations – AC & Non AC (Excl Service Tax)	4,00,000
4	Receipts from plying Volvo AC Bus on Gandhidham Ahmedabad Route (Point to Point Travel) (Excl Service Tax)	6,00,000
5	Receipts from plying Volga Non AC Bus on Gandhidham Ahmedabad Route (Point to Point Travel) (Excl Service Tax)	2,00,000
6	Expense for Vovlo AC Bus taken on Hire From Maan Travels (used for above point to point travel) (Excl Service Tax)	5,00,000

(4M)

2 (D). Dharma Manufacturers Ltd, engaged in manufacturing machines (not an SSI), sold machine to MJJ Plastics. The cum duty price of machine excluding Vat is Rs 590300. Excise Duty is 12.36%. Sale Price includes the following: (Rs)

1	Warranty (Optional in Nature)	28,000
2	Special & Protective Packing	6,000
3	Design Charges of Machine	20,000

4	Cost of Return Fare	4,500
5	Total Advertisement Charges (50% to be borne by MJJ Plastics)	16,000
6	Materials Supplied Free of Cost by MJJ Plastics	14,000

Compute Assessable Value of Machine for the purpose of Excise Duty. **(4M)**

3(A). Real Drinks Pvt Ltd a manufacturer of aerated water falling under Heading 2201.20 of First Schedule of CETA. During course of investigation on it, CEO found that assessee had not disclosed maintenance of production format and also it was draining out aerated water which did not pass the screening test and was found unusable without entering such details in RG-1 Register.

Hence SCN was issued to assessee demanding duty on Drained Aerated Water as no duty had been paid on it.

Assessee contended that no duty was payable on it as this water was drained out prior to entering the stage of finished goods. This water was not yet marketable as found out by testing.

Test the veracity of SCN issued by the CEO on the basis of decided case law. **(4M)**

3(B). HTC Limited (Indian Co) placed purchased order to the HTC Corporation (assessee foreign company) in regards to import of some goods. The assessee gave an alert to the importer regarding dispatch of goods which were order by him from foreign company.

In the meantime, Central Government issued a notification imposing anti dumping duty on certain category of goods. The goods of the assessee were also covered in that notification. So HTC Limited cancelled the order and also abandoned the goods.

Later HTC Corporation (foreign company) asked to re-export goods back to them. Is HTC Corporation would be entitled to re-export the goods.

Decide as per the latest case law in this light. **(4M)**

3 (C). RAK Tiles Pvt Ltd is a wholly owned subsdiary company of Ms RAK Tiles Asia Pte Ltd, Singapore. RAK Group is leading manufacturer of floor covering products with manufacturing and sales operations across the world & had to set up the applicant company with object to strengthen sales in India.

The applicant would undertake the responsibility of providing market and support in relation to tiles and flooring products proposed to be sold by RAK USA & RAK China to the customers in India through their own dealers or directly. The applicant proposed to enter into marketing and sales support services agreement with RAK USA & RAK China. In consideration of services the applicant would be entitled to receive service fees in convertible foreign exchange from RAK USA & RAK China.

The applicant contended that they would be covered under Rule 3 of Place of Provision of Service Rules 2012 & also that their activity would qualify as export of service.

State whether contention as submitted by the applicant is correct with the help of decided case law. **(4M)**

3 (D). Sabar Industries Limited was manufacturing product "Gulabari" and claimed its classification as medicament while the department demanded duty on the said product treating it as cosmetic.

The assessee deposited Differential Duty under Protest and informed that :

A) It had paid duty under protest.
B) It had not passed the burden of Duty.
C) It would claim refund, if dispute is settled in its favour &
D) It had showed the said amount as Receivable in Balance Sheet.

The issue was settled in favour of assessee. It applied for refund of Differential Duty paid, however Department denied the refund arguing that the incidence of duty has been passed on.

Decide whether Sabar Industries Limited would be entitled for refund as per the case law. **(4M)**

4(A). Explain briefly the conditions upon which then credit from one factory to another factory is permitted under Rule 10 of the Cenvat Credit Rules 2004. **(3M)**

4(B). Explain briefly the provisions of Rule 19 of Central Excise Rules 2002 regarding export without payment of duty to a place other than Bhutan. **(3M)**

4(C). Mr Rakesh had imported capital goods under EPCG Scheme. The total amount of Duty saved amounted to Rs 2.00 Lacs. Discuss his export obligation and time limit to achieve the same. **(3M)**

4(D). Briefly explain important features of "Safeguard Duty" under the Customs Act, 1975. **(3M)**

4(E). Briefly explain the Time Limit u/s 73(4B) of Finance Act 1994 to determine the amount of Service tax Due From the Assessee & Also explain Meaning of Relevant Date u/s 73(6) of Finance Act 1994. **(4M)**

5(A). Briefly discuss the provisions of Information Return to be Filed under Central Excise Act 1944. **(4M)**

5(B). What do you understand by Bundled Service? What are the principles for Classification of Bundled Services? **(4M)**

5(C). Define following under Customs Act:

a) Prohibited Goods
b) Goods **(4M)**

5(D). Briefly explain Duty Free Import Authorisation Scheme under Foreign Trade Policy. **(4M)**

6(A). Briefly discuss the cases which cannot be compounded under Central Excise Act 1944. **(3M)**

6(B). Shanti Exports Pvt Ltd had filed Bill of Export under Customs on 26/2/2015 and they are knowing the false facts and many things that are not disclosed (Duty in that regards is Rs 5 Lacs) to Customs' Department under Bill of Export.

Now being on a safer side so as to be in soft corner they are moving their application to Settlement Commission on 2/3/2015. The Settlement Commission rejected the application.

Assessee is of the view that as per New Law in Customs Act they can move application and SC had no power to reject it under any circumstances. Advise assessee. **(3M)**

6(C). The case of Ms Shridhar Labour Contractors Pvt Ltd is being prosecuted at CESTAT (Tribunal) level wherein the department had levied Service Tax Demand of Rs 18 Lacs (Service Tax = 15 + Interest = 2 + Penalty = 1) and the same is confirmed by 1st Appeals also.

The assessee had requested on 1/8/14 to the CESTAT (Tribunal) to grant them stay, but CESTAT refused to grant so on the contention that now they have no power to grant stay at all.

Is the contention of CESTAT correct in law. **(3M)**

6(D). Briefly explain the Rights of the owner of Warehoused Goods under Customs Act 1962. **(3M)**

6(E). Briefly explain the covering important aspects regarding Registration under Service Tax. **(4M)**

7(A). Mr Manish, an output service provider, deposited the service tax amounting to Rs 10.00 Lacs on 6/12/2014 for the Quarter ending on December 2013.

Compute the amount of Interest Payable in this scenario provided assessee pays tax through net banking. **(3M)**

7(B). In an order dated 30/8/2014 issued to Kaviraj Ltd, the Commissioner (Appeals) had confirmed duty demand of Rs 1,00,00,000/- along with penalty equal to the amount of duty demanded. The assessee wants to appeal the said order with CESTAT.

Compute the amount of Pre deposit required to be made by the assessee for filing the appeal with the CESTAT. **(3M)**

7(C). Briefly explain the Types & Nature of Bonds to be executed under Central Excise Act. **(3M)**

7(D). Briefly discuss the Scheme of Filing Returns, Revise Return & Penalty for Non Filing of Returns under Service Tax. **(3M)**

7(E). Akansha Ltd being 100% EOU Unit had made clearance to Domestic Tariff Area on 27/2/2015, the details of same are as under:

1	Assessable Value as Per Excise Law	Rs 80,000
2	Assessable Value as Per Custom Law	Rs 2,00,000
3	Basic Custom Duty	10%
4	Excise Duty on Like Products Manufactured in India	12%
5	Additional Duty of Customs u/s 3(5) of Customs Tariff Act 1975	4%
6	Education Cess	2%
7	Higher Secondary Education Cess	1%
8	Are Goods Liable to Vat in India	No

Compute the amount of Excise Duty Payable? **(4M)**