



प्रधान आयुक्त का कार्यालय, केन्द्रीय उत्पाद शुल्क, अहमदाबाद - १
७वीं मंजिल, केन्द्रीय उत्पाद शुल्क भवन, पोलिटेकनिक के पास, आंबावाडी, अहमदाबाद - १५
OFFICE OF THE PRINCIPAL COMMISSIONER OF CENTRAL EXCISE, AHMEDABAD-I
7th FLOOR, CENTRAL EXCISE BHAVAN, NR. POLYTECHNIC, AMBAVADI, AHMEDABAD-15

निबन्धित पावती डाक द्वारा / By REGISTERED POST A.D.

फा. सं./ F.No. V.39/15-69/OA/2012

आदेश की तारीख/Date of Order : 03-11-2015

जारी करने की तारीख/Date of Issue : 03-11-2015

द्वारा पारित/Passed by:- क.कि.कबीरपंथी, प्रधान आयुक्त

K.K.KABIRPANTHI, PRINCIPAL COMMISSIONER

मूल आदेश संख्या /

Order-In-Original No. : AHM-EXCUS-001-COM-005-15-16 Dated 03-11-2015

1. जिस व्यक्ति(यों) को यह प्रति भेजी जाती है, उसे व्यक्तिगत प्रयोग के लिए निःशुल्क प्रदान की जाती है।
This copy is granted free of charge for private use of the person(s) to whom it is sent.
2. इस आदेश से असंतुष्ट कोई भी व्यक्ति इस आदेश की प्राप्ति से तीन माह के भीतर सीमा शुल्क, उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण, अहमदाबाद पीठ को इस आदेश के विरुद्ध अपील कर सकता है। अपील सहायक रजिस्ट्रार, सीमा शुल्क, उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण, O-20, मेघाणीनगर, न्यु मेन्टल हॉस्पिटल कम्पाउन्ड, अहमदाबाद-380 016 को सम्बोधित होनी चाहिए।
Any person deeming himself aggrieved by this Order may appeal against this Order to the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad Bench within three months from the date of its communication. The appeal must be addressed to the Assistant Registrar, Customs, Excise and Service Tax Appellate Tribunal, O-20, Meghani Nagar, Mental Hospital Compound, Ahmedabad-380 016.
3. उक्त अपील प्रारूप सं. इ.ए.3 में दाखिल की जानी चाहिए। उसपर केन्द्रीय उत्पाद शुल्क (अपील) नियमावली, 2001 के नियम 3 के उप नियम (2) में विनिर्दिष्ट व्यक्तियों द्वारा हस्ताक्षर किए जाएंगे। उक्त अपील को चार प्रतियों में दाखिल किया जाए तथा जिस आदेश के विरुद्ध अपील की गई हो, उसकी भी उतनी ही प्रतियाँ संलग्न की जाएँ (उनमें से कम से कम एक प्रति प्रमाणित होनी चाहिए)। अपील से सम्बंधित सभी दस्तावेज भी चार प्रतियों में अग्रेषित किए जाने चाहिए।
The Appeal should be filed in Form No. E.A.3. It shall be signed by the persons specified in sub-rule (2) of Rule 3 of the Central Excise (Appeals) Rules, 2001. It shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be certified copy). All supporting documents of the appeal should be forwarded in quadruplicate.
4. अपील जिसमें तथ्यों का विवरण एवं अपील के आधार शामिल हैं, चार प्रतियों में दाखिल की जाएगी तथा उसके साथ जिस आदेश के विरुद्ध अपील की गई हो, उसकी भी उतनी ही प्रतियाँ संलग्न की जाएंगी (उनमें से कम से कम एक प्रमाणित प्रति होगी)।
The Appeal including the statement of facts and the grounds of appeal shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be a certified copy.)

5. अपील का प्रपत्र अंग्रेजी अथवा हिन्दी में होगा एवं इसे संक्षिप्त एवं किसी तर्क अथवा विवरण के बिना अपील के कारणों के स्पष्ट शीर्षों के अंतर्गत तैयार करना चाहिए एवं ऐसे कारणों को क्रमानुसार क्रमांकित करना चाहिए।
The form of appeal shall be in English or Hindi and should be set forth concisely and under distinct heads of the grounds of appeals without any argument or narrative and such grounds should be numbered consecutively.
6. अधिनियम की धारा 35 बी के उपबन्धों के अंतर्गत निर्धारित फीस जिस स्थान पर पीठ स्थित है, वहां के किसी भी राष्ट्रीयकृत बैंक की शाखा से न्यायाधिकरण की पीठ के सहायक रजिस्ट्रार के नाम पर रेखांकित माँग ड्राफ्ट के जरिए अदा की जाएगी तथा यह माँग ड्राफ्ट अपील के प्रपत्र के साथ संलग्न किया जाएगा।
The prescribed fee under the provisions of Section 35 B of the Act shall be paid through a crossed demand draft, in favour of the Assistant Registrar of the Bench of the Tribunal, of a branch of any Nationalized Bank located at the place where the Bench is situated and the demand draft shall be attached to the form of appeal.
7. इस आदेश के विरुद्ध सीमा शुल्क, उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण में शुल्क के 7.5% जहां शुल्क अथवा शुल्क एवं जुर्माना का विवाद है अथवा जुर्माना जहां शीर्ष जुर्माना के बारेमें विवाद है उसका भुक्तान करके अपील की जा सकती है।
An appeal against this order shall lie before the Tribunal on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute”.
8. न्यायालय शुल्क अधिनियम, 1970 की अनुसूची-1, मद 6 के अंतर्गत निर्धारित किए अनुसार संलग्न किए गए आदेश की प्रति पर 1.00 रूपया का न्यायालय शुल्क टिकट लगा होना चाहिए।
The copy of this order attached therein should bear a court fee stamp of Rs. 1.00 as prescribed under Schedule 1, Item 6 of the Court Fees Act, 1970.
9. अपील पर भी रु. 4.00 का न्यायालय शुल्क टिकट लगा होना चाहिए।
Appeal should also bear a court fee stamp of Rs. 4.00.

विषय: -

Sub : Show cause notice no. V.39/15-69/OA/2012 dated 24.03.2014 issued to

1. Shri Ramesh Purshottambhai Patel proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad.
 2. Shri Nitinkumar Nathalal Patel, accountant of M/s.Meet Plast, Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad.
 3. Shri Vipul Vishnubhai Patel, Prop of M/s Margi Polymers 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad,,
 4. Shri Sanjay Purshottambhai Patel, Prop of M/s. Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad,
 5. Shri Jitendra Patel, 36 GIDC Estate, Opp Jay Chemicals Odhav , Ahmedabad
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BRIEF FACTS OF THE CASE:

M/s Meet Plast, a proprietary unit situated at Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad (hereinafter referred to as "M/s Meet" for the sake of brevity) owned by Shri Rameshbhai Purshottambhai Patel, is engaged in the manufacturing of Plastic Buckets, Kitchen Wares, and Plastic Tubs,(hereinafter referred to as the "said goods") falling under Chap heading No.39 of the Central Excise Tariff Act, 1985.

1.1 Intelligence was that M/s Meet was indulging in evasion of Central Excise duty by way of removal of the said goods without payment of applicable duties and taxes.

1.2 Truck No.GJ-18-AT 8371 loaded with "Plastic Buckets", "Kitchen Wares" and "Plastic Tubs" was intercepted under panchnama dated 29/09/2010, by the officers of Central Excise (Preventive), Ahmedabad-II (erstwhile). On being asked, the driver of the said truck, Shri Dilip Kumar Ade Singh Dhabhi, informed the officers that:

- he loaded the said goods from M/s Meet and was given only a delivery Challan No. 368 dated 29.09.2010 by Shri Rameshbhai Purshottambhai Patel, Proprietor of the M/s Meet.
- The said truck was loaded with "Plastic Buckets", "Plastic Tubs" and "Kitchen wares" total 465 in numbers & valued at Rs. 1,85,124/- as mentioned in Challan No. 368 dated 29.09.2010 and were consigned to Shri Ansaribhai, Surat.

1.3 Subsequently, a search was carried out at factory premises of M/s Meet under the panchnama proceedings in presence of Shri Rameshbhai Purshottambhai Patel, Proprietor of the M/s Meet. During the panchnama, Shri Rameshbhai Purshottambhai Patel accepted that he had handed over the said delivery challan No 368 and the goods mentioned above, to the driver Shri Dilip Kumar Ade Singh Dhabhi. He further informed the officers that the records pertaining to his M/s Meet were kept in the nearby shed No- 36-7, as prior to 31/03/10 the manufacturing activity as well as the office premises were situated at the said place. He also informed that the finished goods and raw materials were stored in the other adjoining sheds at 36-7, 35-A, 36 & B 36-3. The officers undertook a physical stock verification of the finished goods lying in shed No 35-6 and at 35-A.

Search of the premises located at Shed No- 36/7, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad

1.4 The team of officers also searched the premises at Shed No- 36-7 (which was the premises of Margi Polymers) in the presence of Shri Vipul Patel, the panchas and Shri Rameshbhai Purshottambhai Patel. Shri Vipul Patel informed during the search that:

- M/s Margi Polymers was functioning from the said premises of which he was the proprietor;
- though Margi Polymers was incorporated with effect from April 2010, till the date of the search, no activity of sale or purchase was undertaken by him.

- documents pertaining to M/s Meet 35/6, G.ID.C, Odhav, Ahmedabad, and their goods – finished as well as Raw Materials were stored by Shri Rameshbhai Purshottambhai Patel in the same premises as well as in the adjoining premises at 36-3 & 36.

1.4.1 The officers physically verified the stock of finished goods and the raw materials in all the sheds mentioned above. The stock included goods like Buckets, Tubs, containers and PET bottles of various capacities. During the search undertaken by the officers, some records / documents/ books challans etc., were resumed, which also included 2 Collection books for the year 2009-10 and 2010-11, which detailed the purchase and sales of the said goods by the M/s Meet. The work-sheet prepared on the basis of the said collection books was shown to Shri Rameshbhai Purshottambhai Patel, who accepted his duty liability and stated that he would pay the same shortly.

1.4.2 As per the calculation in the worksheet, it was forthcoming that M/s Meet had crossed the turnover limit of Rs. 4 Crore during the years 2009-10 and 2010-11. It was therefore apparent that the goods cleared under Challan No. 368 dated. 29.09.2010 were illicitly removed, without preparing Central Excise Invoice, and with intent to evade Central Excise duty, and hence were liable for seizure under the provisions of Central Excise Law.

1.4.3 Accordingly, the said goods *i.e.* 465 Nos. of plastic buckets, tubs and baskets valued at Rs. 1,85,124/- were placed under seizure along with aforesaid truck valued at Approx Rs 3.00 lakhs, under Panchnama dated 29 & 30.09.2010 drawn at the factory premises of the M/s Meet, under reasonable belief that same are liable for confiscation. The seized goods were handed over to Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet under Supratnama dated 30.09.2010 for safe custody.

2 A statement of Shri Dilip Kumar Ade Singh Dhabhi Driver of Truck No. GJ-18-AT 8371 was recorded on 29.09.2010, under Section 14 of the C. Ex. Act, 1944, wherein he *inter alia* stated that :

- he was sent by Shri Akrambhai Kerosinewala, owner of the Truck No. GJ-18-AT 8371 to transport the said goods from the factory premises of M/s Meet to Shri Ansaribhai, Surat;
- he had been given delivery Challans for transportation of the said goods loaded in the said truck.

3. Further a statement of Shri Akrambhai Kerosinewala, owner of the Truck No. GJ-18-AT 8371 was also recorded on 09.03.20011, under Section 14 of the C. Ex. Act, 1944, wherein he *inter alia* stated that

- he was called by Shri Nileshbhai, owner of M/s. Momai Roadways, to send his Truck at the factory premises of M/s. Meet Plast;
- the Freight charge was settled at Rs. 5500/-.

4. Thereafter, a statement of Shri Nileshbhai, owner of M/s. Momai Roadways was recorded on 10.03.2011, under Section 14 of the C. Ex. Act, 1944, wherein he *inter alia* stated that:

- he received a phone call on 29.09.2010 from Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet to deliver goods from his factory to Surat;
- he coordinated with Shri Akrambhai Kerosinewala, owner of the Truck No. GJ-18-AT 8371 to send his truck at said factory premises on 29.09.2010;
- he has received Freight charge amounting Rs.5500/- from Shri Rameshbhai Purshottambhai Patel and given the same to Shri Akrambhai Kerosinewala after deducting his commission.

5 A statement of Shri Rameshbhai Purshottambhai Patel, Proprietor, of M/s Meet was recorded on 30.09.2010, under Section 14 of the Central Excise Act, 1944, wherein he agreed and confirmed:

- i. the facts of panchnama dated 29.09.2010 drawn at factory premises of M/s Meet Odhav, Ahmedabad;
- ii. the panchnama dated 29.09.2010 drawn at factory premises of M/s. Margi Polymers, 36/7, GIDC, Odhav, Ahmedabad;
- iii. the facts mentioned in statement dated 29.09.2010 of Shri Dilip Kumar Ade Singh Dhabhi, Driver of Truck No. GJ-18-AT 8371;

and *inter alia* stated that:

- he looked after overall supervision of the work related to sales, purchase, administration, accounts etc. including work related to dispatch of the finished goods;
- his M/s Meet was engaged in manufacture of “Plastic Buckets” “Kitchen Wares” and “Plastic Tubs” and was not registered with the Central Excise;
- their main raw materials were granules and scrap of plastic;
- he maintained accounts at the common office premises situated at 1st Floor, 36/7, Odhav, Ahmedabad in respect of goods received and sold;
- the goods loaded in the said truck No. GJ-18-AT 8371 were without any Invoice/bills, and were cleared with intent to evade the Central Excise duties levied;
- the goods were loaded in the said truck with his direction and he had directed the said truck driver to deliver the goods to Shri Ansaribhai, Surat.

6. M/s Meet on executing B-11 bond of Rs.1,85,124/- and Rs.4,00,000/- along with Security of Rs.95000/- and Rs.2,75,000/- in the form of FDR obtained provisional release of seized goods and truck respectively from the Deputy Commissioner, Central Excise, Division-III (erstwhile).

7. A statement of Shri Nitinkumar Nathalal Patel, accountant of M/s Meet was recorded on 06.10.10 u/s 14 of CEA 1944, wherein he *inter alia* stated that:

- he looked after all accounts related work of M/s. Meet Plast;
- made entries in collection books for the years 2009-10 & 2010-11 of sales & purchases of M/s Meet under the instructions of Shri Rameshbhai P Patel;
- Shri Rameshbhai P Patel gave him Kachchi Notes about purchase, sale and expenses against which he made the entry in account/collection books.

8 Subsequently, a show cause notice was issued by the Assistant Commissioner, Central Excise Division-III, Ahmedabad-II from F No V.39/15-10/Meet-Plast/Offence/10-11 on 18/03/11 requiring Shri Rameshbhai Purshottambhai Patel to Show Cause as to why :

- a. the seized goods, i.e. 465 Nos. plastic buckets and Vehicle No. GJ-18-AT 8371, should not be confiscated under Rule 25 of Central Excise Rules, 2002;
- b. C. Ex. duty of Rs.19068/- involved in the said seized goods, should not be demanded under Section 11A of the C. Ex. Act, 1944.
- c. Penalty under Section 11AC of the Central Excise Act, 1944 and under Rule 25 of CER, 2002 should not be imposed upon him.
- d. Penalty under under Rule 26 of CER, 2002 should not be imposed on Shri Akrambhai Kerosinewala, Truck owner of the vehicle No. GJ-18- AT-8371, M S Duplex 'A' Wala, Chandola Shahalam Road, Ahmedabad and on Shri Nilesh Basantbhai, owner of M/s. Momai Roadways, A/8, Gayatri Bungalow, Opp- Lambha Temple, Lambha.

8.1 The subject SCN was adjudicated vide Order No MP/12/Offence/11-12 dated 08/07/11 by the Assistant Commissioner, Central Excise Division-III, Ahmedabad-II. The Assistant Commissioner has vide the said OIO ordered confiscation of the goods and the vehicle seized. Since the same were provisionally released, a redemption fine of Rs.50,000/- on the goods, and Rs.30,000/- was imposed on the M/s Meet. An amount of Rs.19068/- was also confirmed along with interest and equal penalty under Section 11AC of the Central Excise Act 1944. Personal penalty of Rs.10,000/- was imposed on Shri Rameshbhai Purshottambhai Patel, Rs 5000/- on Shri Akrambhai Kerosinewala, owner of the truck and Rs 5000/- on Shri Nilesh Basantbhai owner of Momai Roadways.

9 Shri Rameshbhai Purshottambhai Patel has in his statements recorded on 1.10.2010, 6.10.2010 and 19.11.2010 confirmed and accepted the facts mentioned in the Panchnama dated 29.9.2010 drawn at the factory premises of M/s Meet; Panchnama dated 29.9.2010 drawn at the premises of M/s Margi Polymers; Statement dated 29.9.2010 of Shri Dilip Kumar Ade Singh Dhabhi Driver of Truck No. GJ-18-AT 8371; Statement dated 9.3.2011 of Shri Akrambhai Kerosinewala, owner of the Truck No. GJ-18-AT 8371; Statement dated 10.3.2011 of Shri Nileshbhai, owner of M/s. Momai Roadways.

9.1 Further, he has in his statement interalia stated that his firm M/s Meet was engaged in the manufacture of household plastic items like buckets, tubs, baskets etc, where the main raw materials were – Reprocess P. P. second, Second granules and plastic scrap – known as “raffia”.

9.2 During the course of recording of his statement he was shown the two collection books appearing at Sl No 1 (blue cover) & 2 (red cover) appearing at Annexure A to the panchnama dated 29/09/10, drawn at the premises of Meet Plast, (hereinafter referred to as the said collection books). Shri Rameshbhai Purshottambhai Patel stated that the said collection books were written by Shri Nitinkumar Patel, working as an accountant with him under his instructions. Shri Rameshbhai had

also stated that Shri Nitinkumar Patel would write the books on the basis of notes / papers that were prepared by him.

9.3 He further stated that the said two collection books contained ledger accounts / details of the sales of goods manufactured and removed by his M/s Meet as well as the details of purchases for the period 2009-10 and 2010-11.

9.4 On being asked, he specifically mentioned that the two firms – M/s Radhey Plastic and M/s Meet Polymers were fictitious firms floated by him through which he sold the goods manufactured by M/s Meet. He also accepted that though he had shown the sales figures of Rs.46.22 lakhs and Rs.16.65 lakhs in the Vat returns for the years 2009-10 & 2010-11 respectively, the actual sales figures were much higher.

9.5 On being made to go through the worksheet prepared on the basis of details contained in the said collection books prepared by the officers, Shri Rameshbhai Purshottambhai Patel accepted that his firm M/s Meet had undertaken illicit clearances which worked out to Rs.14,14,10,405/- involving duty of Rs.1,20,49,909/ for the years 2009-10 and 2010-11.

10 A statement of Shri Nitinkumar N. Patel working as an accountant with Shri Rameshbhai Purshottambhai Patel was recorded under Section 14 of the Central Excise 1944, on 6.10.2010, wherein he interalia stated that the said two collection books were written by him on the specific instructions of Shri Rameshbhai Purshottambhai Patel who would give him kachha chits (notes) regarding the sales purchases and expenses. It was on the basis of these notes that the entries were made by him in the said collection books. Entries were written by him regarding purchase of plastic granules, Rafiya, and sales of manufactured goods like buckets, baskets, trays Tubs etc. The details included Names, addresses, phone numbers and date of the transaction, amount involved and the balances. He had also stated that the sales bills of M/s Meet were prepared by him. During his further deposition dated 21/06/11 he divulged the details of the names in full, the addresses and other contacts of persons who found mention in the said collection books.

11 A statement of Shri Nitin Kumar Nathalal Patel was further recorded under Section 14 of the Central Excise Act, 1944, on 15.11.2011 wherein he summarized his scope of work with M/s Meet, and confirmed that he was writing and updating the details of sales, purchases, payments and receipts in the mentioned collection books from the year 2008 till 30/09/10 and on the instructions of Shri Ramesh Patel would also prepare the delivery challans on the basis of which, finished goods manufactured by M/s Meet were removed, without the cover of invoices. He also identified such delivery challans, the entries of which correlated with the entries in the collection books, including delivery challan book No 42/15 which bore his handwriting on some pages. He also stated that the said two collection books contained the names of the persons, the transaction date and the amount involved in each transaction; that all the transactions as entered in the said collection books pertained to date wise details of purchases made, its payments, to the concerned person, the value of sales

effected their receipt in cash, payments made to persons who would undertake conversion (job work) of waste plastic scrap into granules etc, payments made to transporters, misc expenses, wages paid etc. He also clarified that the value of sales were written by him in the "debit" column, and the payments received in cash were written in the "credit" column; that most of the times the cash payments were received as well as paid in lump sum, and not as per the actual value of sale. He also cited an example, wherein on page 127 of collection book No 2 for the year 2010-11, the account of "Rafia Bharatbhai" was mentioned; that on the credit side, the value of purchases of "Rafia" – plastic scrap has been mentioned, whereas on the debit side, the payments made for such purchase in cash has been mentioned. Likewise on page 333 of the same collection book, in the account of "Kamleshbhai Palanpur", on the Debit side the value of goods sold has been mentioned, whereas on the credit side the payments received have been detailed.

11.1 He further stated that all the details as mentioned in the accounts of persons appearing in the collection books were included in the daily sales / purchase figures ("Kharid / Vechan") appearing at pages 01 to 15 & 01 to 05 in the collection books; that Shri Rameshbhai Purshottambhai Patel, would sit with him and direct / inform him about the entries to be made, where the challans were issued and amounts as mentioned in the DCs were entered in the relevant ledger account of the particular person. He cited an example where the entry of challan no 161 dated 25/08/10 contained in DC book No 42/15 was written at page No 351 in the collection book of 2010-11 against the name of 'Kalpeshbhai Surat', the amount being Rs 185064/-. He stated that Delivery challans where no amount were written, such sales were not entered in the respective ledger account, but were added in the final daily total of the sales - ("Kharid / Vechan") appearing at pages 01 to 15 & 01 to 05 in the said collection books..

11.2 He also stated that the sum total of the Credit side (Vechan) of the collection books appearing at pages - 01 to 15 & 01 to 05 in the said collection books, would be the correct amount of the sales effected by the M/s Meet, as even in cases where delivery Challans were not issued, Shri Rameshbhai would inform him to include the amounts of sales in the daily sales figure.

11.3 Further, he identified and differentiated the persons / accounts of purchases, sales, job workers to whom M/s Meet has sold the goods manufactured – i.e. plastic buckets, tubs etc and also the persons from whom M/s Meet had purchased the raw materials – like waste & scrap (raffia), dana – granules, bucket / tub handles, dies, colour, job workers etc. A list of such persons was prepared during his deposition.

11.4 On perusing the details of the worksheets prepared during the said panchnama and during the statement dated 06/10/10 of Shri Rameshbhai Purshottambhai Patel, he stated that the names of some persons as mentioned in the said two worksheets were not the persons to whom Meet Plast had sold the goods; that the details of persons from whom they had purchased raw materials like granules, waste and scrap, steel handles, persons who had undertaken job work on their behalf, have been shown as having purchased finished goods from M/s Meet in the worksheet dated 06/10/10. He had also identified some entries in the worksheets prepared where the opening balances as mentioned in the Collection books were included as sales.

12 To re- ascertain the types of dealings of the persons whose mention was found in the subject two collection books such as the suppliers of inputs/ Raw materials, Job workers and Buyers of finished goods investigation has been extended to the suppliers of inputs/ raw materials and during the course of investigations their statements under Section 14 of the Central Excise Act were recorded. The same are discussed as under:-

12.1 Investigation from suppliers of inputs / Raw materials:-

12.1.1 A statement of Shri Atul Ranchodbhai Patel, Proprietor of M/s. Mahalaxmi Plastic, 3, Anand Estate, Revabhai Estate Road, CTM, Ahmedabad was recorded on 24.6.2011 under Section 14 of Central Excise Act, 1944, wherein he interalia stated that: his said firm was engaged in the sale of Plastic scrap; that during the years 2009-10 and 10-11 and he had sold plastic scrap to M/s Meet for which he had received payments in cash from Shri Rameshbhai Purshottambhai Patel; that he did not keep any account or register mentioning the quantum of Plastic Scrap sold. In his statement he was shown a work sheet prepared on the basis of details mentioned at pages nos. 38 and 43 of the seized two collection books as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, Shri Atul Ranchodbhai Patel, stated that the name as appearing in the title of the said pages Mahalaxmi Plastics, Ahmedabad, contained the cash payments received by him from Shri Rameshbhai Purshottambhai Patel for the quantum of plastic scrap sold by him. He also accepted the details as appearing in the worksheet which was prepared on the basis of the above stated documents and as per the details mentioned therein he confirmed that for the sale of Plastic scrap made during the year 2009-10 and during the year 2010-11, he received Rs.1212500/- and Rs.510000, respectively in cash from Shri Rameshbhai Purshottambhai Patel.

12.1.2. A statement of Shri Maheshbhai Laxmanbhai Makhija, Proprietor of M/s. Suraj Plastic, Old Cloth Bazar, Delhi Darwaja, Ahmedabad was recorded on 24.6.2011 under Section 14 of the Central Excise Act, 1944, wherein he interalia stated that: he was engaged in the business of Plastic Scrap; that during the years 2009-10 and 10-11 he had sold plastic scrap to M/s Meet for which he had received payments in cash from Shri Rameshbhai Purshottambhai Patel; that he did not keep any account or register mentioning the quantum of Plastic Scrap sold. In his statement he was shown a work sheet prepared on the basis of details mentioned at pages nos 181 to 193 & 291 to 297 of the seized two collection books as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, Shri Maheshbhai Makhija, Proprietor stated that the name as appearing in the title of the said pages as 'Maheshbhai Ahmedabad', contained the cash payments received by him from Shri Rameshbhai Purshottambhai Patel for the quantum of plastic scrap sold by him. He also accepted the details as appearing in the worksheet which was prepared on the basis of the above stated documents and as per the details mentioned therein he confirmed that for the sale of Plastic scrap made during the year 2009-10 and during the year 2010-11, he has received Rs.74,37,087/- and Rs.26,90,273/-, respectively in cash from Shri Rameshbhai Purshottambhai Patel.

12.1.3. A statement of Shri Mehbubhai Ismilbhai Biyawarwala, Mehbubbbhai M TV, 53, Samir Flat, 4th Floor, Opp. Municipal Kotha, Gollimda, Ahmedabad, was recorded on 10.7.2011 under Section 14 of the Central Excise Act, 1944, wherein he interalia stated that he was engaged in the sale of Plastic scrap. He would purchase plastic scrap from different traders and hawkers and sell the same; that during the years 2009-10 and 10-11 he sold plastic scrap only to M/s Meet for which he received payments in cash from Shri Rameshbhai Purshottambhai Patel; that he did not keep any account or register mentioning the quantum of Plastic Scrap sold. On being shown page nos 61 to 64 and 81 - 82 contained in two collection books as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, Shri Mehbubhai Ismilbhai Biyawarwala identified that the name(s) "Mehbubbbhai MTV" and "Mehbubbbhai Ahmedabad" as appearing in the title of the said pages pertaining to details of sales made by him of Plastic scrap, on the dates mentioned, the value / amount involved of such sales, the dates when he received payments from Shri Rameshbhai Purshottambhai Patel and the amounts received for the quantum of plastic scrap sold by him. He also accepted the details as appearing in the worksheet which was prepared on the basis of the above stated documents and as per the details mentioned therein he confirmed that for the sale of Plastic scrap made during the year 2009-10 and during the year 2010-11, he has received Rs.1,02,78,000/- and Rs.76,57,000/-, respectively in cash from Shri Rameshbhai Purshottambhai Patel; that no bills or receipts were issued by him for such transactions.

12.1.4.A statement of Shri Firozbhai Yakubbbhai Hazi, 2, Kalapi Flat, Nr. Chandola Talav, Danilimda, Ahmedabad, was recorded on 13.7.2011 under Section 14 of the Central Excise Act, 1944, wherein he interalia stated that he was engaged in the sale of Plastic scrap. He would purchase plastic scrap from different traders and hawkers and sell the same; that during the years 2009-10 and 10-11 he had sold plastic scrap only to M/s Meet for which he had received payments in cash from Shri Rameshbhai Purshottambhai Patel ; that he did not keep any account or register mentioning the quantum of Plastic Scrap sold. In his statement he was shown page nos 51 to 55 and 71 - 72 contained in two collection books as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, Shri Firozbhai Yakubbbhai Hazi identified that the name "Firozbhai Ahmedabad" as appearing in the title of the said pages pertaining to details of sales made by him of Plastic scrap, on the dates mentioned, the value / amount involved of such sales, the dates when he had received payments from Shri Rameshbhai Purshottambhai Patel and the amounts received for the quantum of plastic scrap sold by him. He also accepted the details as appearing in the mentioned pages, where for the year 2009-10 he had received Rs.1,13,13,800/- in cash and during the year 2010-11, Rs.94,54,000/- was received in cash from Shri Rameshbhai Purshottambhai Patel for the sales of Plastic Scrap sold to Shri Rameshbhai of Meet Plast; that no bills or receipts were issued by him for such transactions.

12.1.5. A statement of Shri Faruk M Tekrawala Prop of M/s Horizon Enterprise, 872/2 Bhungli ni Pol, Jamalpur, Ahmedabad, was recorded on 3.3.2012 under Section 14 of the Central Excise Act, 1944, wherein he interalia stated that he was engaged in the trading of residual Dyes and Chemicals;

that he would purchase "sweeping dyes / pigments" from the factories / traders, different local persons / dealers and sell the same mostly to small plastic manufacturers or traders; that the dyes & pigments that fall down on the floor are swept and collected which are not in standardized form are known as "sweeping dyes / pigments" in trade parlance, which are low valued. He stated that he had sold such waste colours / pigments to Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad; that he would interact with either Rameshbhai Patel or Nitin Patel for orders and payments; that no purchase orders were received by him in writing; that no sales invoices or bills were issued by him for the sales made, nor did Rameshbhai ask him to issue any bills; that having confirmed with Shri Rameshbhai or Nitinbhai on telephone, he would send the colours / pigments either through Auto Rickshaw or through small Tempos. In his statement he was shown page no 107 to 109 and page no 207 of the said collection books as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, he stated that the name as appearing in the title of the said pages Shown as "Farukbhai Colour Ahmedabad", contained details of sales made by him of different types of colors / pigments like Blue, Red, Green & Yellow, on the dates mentioned, the value / amount involved of such sales, the date and amounts he received from Shri Rameshbhai Purshottambhai Patel as payments for sales. He categorically stated that all the sales as mentioned were made without any support of invoices or bills and for which he received the payments in cash and no records were maintained by him of such transactions. He accepted that he had sold colours worth Rs.709000/- and Rs.307250/- and received payments of Rs.608500/- and Rs.290000/- as mentioned in the collection books 1 & 2, respectively.

12.1.6. A statement of Shri Bhikabhai P Patel, Partner of M/s Sharda Steel Industries, Plot No 304, GIDC Estate, Chhatral, Kalol, was recorded on 3.3.2012 under Section 14 of Central Excise Act, 1944, wherein he interalia stated that he was one of the partners of M/s Sharda Steel Industries, situated at 304, GIDC Chhatral, Kalol, engaged in the manufacture of MS bucket handles. He stated that they would purchase MS wire coils mostly from local traders / manufacturers, and after cutting the wires as per the size of the handles required, bend them as per the 'Dies' (patterns), pack in bundles and dispatched to the customers. He further stated that that they had sold such MS handles to Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad; that he would interact with either Shri Rameshbhai Purshottambhai Patel or Nitin Patel for orders and payments; that no purchase orders were received by him in writing; that no sales invoices or bills were issued by him for the sales made, nor did Shri Rameshbhai ask him to issue any bills; that having confirmed with Shri Rameshbhai or Nitinbhai on telephone, he would send the MS handles. In his statement he was shown page nos 85 to 88 and page nos 165 to 167 contained in the said two collection books as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, after gone through the said pages, he stated that the name as appearing in the title of the said pages shown as "Sharda Steel Chhatral", contained details of sales made by him, of MS Bucket Handles, on the dates mentioned, the value / amount involved of such sales, the dates when he had received payments from Shri Rameshbhai Purshottambhai Patel and the amounts received. On being specifically asked he stated that most of the sales as mentioned were made by him without any invoices or bills, for which he had received the payments in cash and no records were maintained by him of such transactions. He accepted that M/s Sharda Steel had sold M

S Bucket handles worth Rs 988868/- and Rs 447599/- and received payments of Rs 1010346/- and 404075/- as mentioned in the said collection books 1 and 2, respectively, which has been correctly mentioned.

12.1.7. A statement of Shri Kantibhai Tulsidas Patel, 2, Dhanlaxmi estate, Kathwada Road, B/h GVMM, Odhav, Ahmedabad, was recorded on 3.3.2012 under Section 14 of the Central Excise Act, 1944, wherein he inter alia stated that he was engaged in the sale of Plastic scrap commonly known as "Rafia". He would purchase plastic scrap from different traders, clean / cut the same, pack it in bags of 25 kg each and sell the same; that during the years 2009-10 and 10-11 he had sold plastic scrap to M/s Meet for which he had received payments in cash from Shri Rameshbhai Purshottambhai Patel; that he did not keep any account or register mentioning the quantum of Plastic Scrap sold. In his statement he was shown page nos 49, 50 and 65 contained in two collection books as listed at Sr.No. 1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6 Odhav, Ahmedabad, Shri Kantibhai Tulsidas Patel identified that the name(s) "Kirtibhai Rafia – Kantibhai Ahmedabad" and Kirtibhai kantibhai Rafia Ahmedabad" as appearing in the title of the said pages, as pertaining to details of sales made by him of "raffia" – Plastic scrap, on the dates mentioned, the value / amount involved of such sales, the dates when he received payments from Shri Rameshbhai Purshottambhai Patel and the amounts received for the quantum of plastic scrap sold by him. He also stated that the entire amount of sale as mentioned therein were sold to Shri Rameshbhai Purshottambhai Patel, without issuing sales invoices and amount towards the said sale of goods was received in cash from Shri Rameshbhai Purshottambhai Patel or M/s Meet. He also accepted the details as appearing in the aforesaid pages of the two collection books, where for the year 2009-10 he had sold 'Rafia; worth Rs.821844, for which he had received Rs.1044842/-, whereas during the year 2010-11, Rafia worth Rs.366067/- was purchased by Rameshbhai from him and an amount of Rs.123000/- was received in cash from Shri Rameshbhai Purshottambhai Patel; that no bills or receipts were issued by him for such transactions.

12.2. Investigation from the aforesaid statements of the persons who had supplied the necessary inputs/raw materials to the M/s Meet, recorded under section 14 of the Central Excise Act, 1944 duly corroborated with the evidences such as details of the transactions about receipt of raw material and particulars of the payment made by M/s Meet available in the said seized two collection books from the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad resumed under panchnama proceeding dated 30.09.2010, revealed that M/s Meet had purchased raw materials such as plastic scrap, waste colours/ pigments and M.S. handles etc., from the aforesaid suppliers and payments towards the such purchase had been made in cash. The said cash payments were made by Shri Rameshbhai Purshottambhai Patel of M/s Meet. Sale of plastic scrap, waste colours/ pigments and M.S. handles etc were made by the supplier without issuing and preparing of any invoice and they have not kept details of such sale in their books of Accounts, as no records were maintained by them. Nor any written purchase order for raw material purchase was placed by Shri Rameshbhai Purshottambhai Patel or Shri Nitin Patel of M/s Meet. The said facts were also duly corroborated with the details available in the collection books for the year 2009-10 and 2010-11 of the M/s Meet by respective persons when confronted with the said seized documents who have confirmed and categorically

confessed in their statement recorded under Section 14 of the Central Excise Act, 1944, that they had supplied the raw materials without preparing and issuing any invoice/bill and payment of such sale had been made in cash payments, which was received by them from Shri Rameshbhai Purshottambhai Patel of M/s Meet.

12.3 Investigation from the persons who carried out Job work on behalf of M/s Meet.

12.3.1 A statement of Shri Jayantibhai Karshanbhai Radadiya, Proprietor of M/s. Bansidhar Plastic, Rabari Colony, Odhav, Ahmedabad, was recorded on 23.6.2011 under Section 14 of Central Excise Act, 1944, wherein he interalia stated that he had undertaken job work only on behalf of M/s Meet during the years 2009-10 & 10-11; that all payments for such job work undertaken by him were paid by Shri Rameshbhai Purshottambhai Patel of Meet Plast in cash; that he did not keep any account or register mentioning the quantum of job work done by him on behalf of Meet Plast. In his statement he was shown page nos 159/160 and page nos 149 contained in two collection books, as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6Odhav, Ahmedabad, Shri Jayantibhai K Radadiya stated that the name as appearing in the title of the said pages Bansidhar Plastics, Ahmedabad, contained the payments received by him from Shri Rameshbhai Purshottambhai Patel for the job work undertaken by him. On the basis of the said collection book a worksheet was prepared which showed the job work done by M/s Bansidhar Plastic, Odhav, for the year 2009-10 and 2010-11 and he received Rs.10,90,375/- and Rs.9,07,175/- respectively in cash from Shri Rameshbhai Purshottambhai Patel. On perusing the said worksheet, he accepted that the above amounts was received in cash from Shri Rameshbhai Purshottambhai Patel for the job-work done for Shri Rameshbhai Purshottambhai Patel of Meet for which no job charges bills were prepared and issued.

12.3.2 A statement of Shri Bhikhabhai Mathurbhai Patel, Partner of M/s. Dev Plastic, 6112, Chirag Estate, Revabhai Estate Road, Rabari Colony, Ahmedabad, was recorded on 23.6.2011 under Section 14 of Central Excise Act, 1944, wherein he deposed that he had undertaken job work on behalf of M/s Meet during the years 2009-10 & 10-11; that all payments for such job work undertaken by him were paid by Shri Rameshbhai Purshottambhai Patel of Meet Plast in cash; that he did not keep any account or register mentioning the quantum of job work done by him on behalf of Meet Plast. In his statement he was shown page nos 141 & 151 contained in two collection books, as listed at Sr.No.1 and 2 of Annexure-"A" to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6Odhav, Ahmedabad, Shri Bhikabhai M Patel stated that the name as appearing in the title of the said pages as Tarun Chirag, Ahmedabad, contained the payments received by him from Shri Rameshbhai Purshottambhai Patel for the job work undertaken by him. In his statement he was asked to expand the logic behind the name as "Tarun Chirag" he stated that prior to March 2010, he was a partner in a firm named "Aski Polyplast" where one of the partners was "Tarunbhai" After March 2010, they had formed the present firm which was functioning from Chirag Estate, Rabari Colony, Odhav, Ahmedabad. It was for this reason that the words "Tarunbhai Chirag" were mentioned in the two collection books. On the basis of the said collection book a worksheet was prepared which showed the job work done by M/s Dev Plastic, Bapunagar, for the year 2009-10 and 2010-11 and he

received Rs.6,10,000/- and Rs.1,78,855/- , respectively in cash from Shri Rameshbhai Purshottambhai Patel. On perusing the said worksheet, he accepted that the above amount was received in cash from Shri Rameshbhai Purshottambhai Patel for the job-work done for Shri Rameshbhai Purshottambhai Patel of Meet Plast.

12.3.3 A statement of Shri Nileshbhai B Patel, Partner of M/s. Gopinath Plastic Packaging, C-1/282, Phase-I, GIDC, Naroda, Ahmedabad, was recorded on 27.4.2011 under Section 14 of the Central Excise Act, 1944, wherein he interalia stated that his firm was engaged in the manufacture of “PET BOTTLES” of different sizes for which the raw materials being granules (of plastic) and Master batch. He also categorically confirmed that they had also done job work of M/s Meet who would supply them granules and knobs of the bottles. He identified the details as appearing at pg No 72 of Collection book as listed at Sr.No.1 of Annexure-“A” to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6Odhav, Ahmedabad, and confirmed a worksheet prepared on the basis of the collection book which showed an amount of Rs.4,34,700/- received in cash from Shri Ramesh Patel for the year 2010-11. He confirmed that the payment received by them was on account of job charges for converting the granules into containers of 10L and knobs to the bottle, for which they charged job work charges, which was received in cash from Shri Rameshbhai Purshottambhai Patel of M/s Meet.

12.3.4 A statement of Shri Manish Amrutbhai Patel Authorized Signatory M/s. Jay Plastics Packaging, 1012/A, GIDC, Phase-IV, GIDC, Naroda, Ahmedabad, was recorded on 2.3.2012 under Section 14 of the Central Excise Act, 1944, wherein, he interalia stated that his said firm was engaged in the Screen printing on plastic containers etc. He further stated that he would purchase PPCP granules either from Reliance / Haldia Chemicals or from local traders and send the same for conversion into 10 liter containers with lids; that during the years 2009-10 and 2010-11, he had sent PPCP granules to M/s Meet for conversion into 10 l containers with lid along with delivery challans. After having received the containers from Meet Plast which were accompanied with delivery challans and labour/job work bills he had got them screen printed on the screen printing machineries installed in his factory premises; that he had given the “die” – pattern of his firm - M/s Jay Plastic Packaging to Meet Plast and all the containers and the lids received would be embossed with the words – “Jay Plastic Packaging 10 l”. In his statement he was shown page nos 95 / 96 and page nos 185 to 187 contained in the two collection books, as listed at Sr.No.1 & 2 of Annexure-“A” to Panchnama dated 30.09.2010 drawn at the premises of M/s Meet Plast, 35/6, Odhav, Ahmedabad, he identified the name as appearing in the title of the said pages - “Jay Plastics (Container) Ahmedabad” as pertaining to transactions of his firm; that details like the value & quantity of the handles, the value and quantity of PPCP granules on the dates as mentioned on the Debit side of the books and the payments made to M/s Meet mostly by cheques. He further stated that handles for containers were supplied by M/s Sharda Steel Chattral directly to M/s Meet; that he would receive the containers and the lids along with the handles from Meet Plast, receive the bill from Sharda Steel through Shri Rameshbhai Purshottambhai Patel, and would also hand him the cheques in favour of M/s Sharda Steel. In his statement he was asked regarding the payments made in CASH to Rameshbhai as appearing in the said collection books, he stated that as per the understanding with Shri Rameshbhai, the difference in

the conversion charges / job work charges / labour charges as stated in the bills would be shown less by about Rs 3/-, this difference would be paid in cash to Shri Rameshbhai of Meet Plast. He had also identified the Retail Invoice Books appearing at S.L. Nos. 33, 34, 35 & 36 to Annex A to the panchnama at M/s Meet as being the same bills on which M/s Jay Plastic Packaging Naroda had been billed the conversion / labour charges by M/s Meet for converting PPCP granules into 10 l containers with lids.

12.3.5 Investigation from the aforesaid statements of the persons who undertook manufacture of Plastic Buckets, Tubs, Baskets, PET Bottles, etc., on Job work basis on behalf of Shri Rameshbhai Purshottambhai Patel of M/s Meet, recorded under section 14 of the Central Excise Act, 1944 duly corroborated with the evidences such as collection books of the respective job workers which was seized from the factory premises of M.s Meet Plast which showed the details of the transactions about receipt of raw material and particulars of the payment made by M/s Meet and it revealed that M/s Meet was sending necessary raw materials to the job workers for converting the same to 10L Containers. All the job workers have categorically confirmed in their statements that they have received the raw materials from Shri Rameshbhai of M/s Meet, without any support of challans and they used deliver the containers without any delivery challans or invoices. The job workers also confirmed that they used to charge the job work charges which were received by them in cash from Shri Rameshbhai Purshottambhai Patel of M/s Meet. The said facts were also duly corroborated with the details available in the collection books for the year 2009-10 and 2010-11 of the M/s Meets/persons and all of them when confronted with the said seized documents have confirmed and categorically confessed in their statement recorded under Section 14 of The Central Excise Act,1944, that they had received the raw materials without cover of any invoice/bill/challans for job work process on behalf of M/s Meet and payment of such job work was received by them in cash, from Shri Rameshbhai Purshottambhai Patel of M/s Meet.

12.4. Investigation from the persons who undertook manufacture / job work of plastic buckets, tubs, Pet bottles etc., promoted by and directly under the control of Shri Rameshbhai Purshottambhai Patel of Meet Plast.

12.4.1. A statement of Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad, was recorded on 15/06/12 under section 14 of the Central Excise Act 1944, and he interalia stated that during September 2009, he had installed one DGP Windsor injection molding machine which was financed by his father to the tune of Rs 2.50 lakhs on which he would manufacture Plastic Tubs, buckets, Baskets etc all on behalf of Shri Rameshbhai Purshottambhai Patel of M/s Meet, all of which would bear the brand name "MEET"; that the moulds / dies were supplied free of cost by Shri Rameshbhai Purshottambhai Patel ; that M/s Margi Polymers had not shown any purchases or sale during the year 2009-10 and 2010-11 in the books of accounts. In his statement he was asked regarding his scope of work, he stated that he would work and help Shri Rameshbhai Purshottambhai Patel in his office like preparing and issuing Delivery challans, banking work, and arranging for transportation if necessary, and whatever odd jobs Shri Rameshbhai Purshottambhai Patel would give him.

12.4.1.1. He had identified, when shown some Delivery challan books which were seized during the panchnama dated 30/09/10 drawn at the premises of M/s Meet as written by him on the specific instructions of Shri Ramesh Patel of M/s Meet. Such delivery challans mentioned details of clearance of Plastic Tubs, Buckets, Baskets etc, the quantity, value date and name of the customer. He also stated that in addition to issue of Delivery challans he had prepared Retail Invoices / Tax invoices of M/s Meet. He was asked regarding the receipt of inputs plastic granules that were used in the manufacture of the finished goods at the premises of Margi Polymers, he stated that the plastic granules and handles would be supplied by Shri Ramesh Patel of Meet Plast and would be packed in 25kg plastic bags; that no documents were received by him or Margi Polymers of such receipts nor was any accounting done at Margi Polymers ; that first the grinding of raffia was done at Dharti Poly Plast, and then the plastic granules would received by him. He was asked regarding how the final product – Plastic buckets, Tubs etc manufactured by Margi Polymers would be accounted for, he stated that no records or documents of production of Margi Polymers were prepared by him. However on being shown a Delivery Challan book No 42/20 pages 44 to 50 which was resumed under the panchnama dated 30/09/10 drawn at the premises of M/s Meet, he stated that the said challans mentioned the dates on which the type of plastic granules /dana that were shown as sent to Margi Polymers. However he had not seen or prepared such challans; that since all the units like Margi Polymers, Dharti Polyplast and Meet Plast were situated close by and managed by Shri Rameshbhai Purshottambhai Patel, he would interact with all the persons at the common office based on the first floor of Margi Polymers – 36/7 GIDC Estate, Opp Jay Chemicals Odhav Ahmedabad. He was asked about the sale of PET bottles by Meet Plast, he stated that PET bottles were manufactured in the adjoining premises and sometimes on job work basis, but were removed and sold by Shri Rameshbhai Purshottambhai Patel on issuance of delivery challans.

12.4.1.2. He had also identified the entries on the collection book pages 145 to 150 in dairy no 1 for the year 2009-10 and pages 271 & 272 of dairy No 2 for the year 2010-11 as pertaining to his transactions with Shri Rameshbhai Purshottambhai Patel. He explained that the credit side of the account in the mentioned pages stated the value of goods (plastic granules) removed / cleared by him to Meet Plast, whereas the Debit side mentioned the payments received by him / paid by Shri Rameshbhai Purshottambhai Patel on his behalf like job charges, labour expenses, electricity expenses and salaries etc. He also categorically stated that Rameshbhai Patel of Meet Plast was managing the full show and his name was shown as proprietor only on paper as Margi Polymers was functioning on the absolute directions of Rameshbhai as he did not have any say in the day to day activities of his firm, nor had any powers to undertake any independent activities like purchase of Raw materials, scheduling the production, sales, collection of sales proceeds etc, as he had and would only follow the instructions of Shri Rameshbhai Purshottambhai Patel.

12.4.2. A statement of Shri Jitendra A Patel, the person who manufactured PET bottles based at 36 GIDC Estate, Opp Jay Chemicals Odhav on behalf of Shri Rameshbhai Purshottambhai Patel of Meet Plast was recorded under Section 14 of the CEA 1944 on 24/07/12, wherein he interalia stated that Shri Rameshbhai Purshottambhai Patel had purchased a PET blowing machine and given it to him to operate and manufacture PET bottles on his behalf along with the moulds and dies during the month of February 2010; that all the goods – PET bottles of that were manufactured at 36 GIDC Estate, Opp

Jay Chemicals Odhav were removed to Shri Rameshbhai of Meet Plast without issuance of any bill or invoices ; that the raw material required for manufacture of PET bottles – PPCP granules were procured and supplied by Shri Rameshbhai Purshottambhai Patel; that he was not authorized to sell the PET bottles to any other person; that he was paid charges of 10, 15, and 25 paisa per bottle of capacity of 100 ml, 200 ml and 500 ml, respectively; sometimes the granules were sent to other job workers like M/s Bansidhar Plastics, Gopinath Plastics etc. He had also identified the entries on the collection book pages 77 & 78 in dairy no 1 for the year 2009-10 and page 133 of dairy No 2 for the year 2010-11 as pertaining to his transactions with Shri Rameshbhai Purshottambhai Patel. He explained that the credit side of the account in the mentioned pages stated the cash amounts received by him from Shri Rameshbhai Purshottambhai Patel of M/s Meet, whereas the Debit side mentioned the payments for expenses and purchases made by him. He also stated that they were still to settle the accounts. He had identified, when shown some Delivery challan books which were seized during the panchnama dated 30/09/10 drawn at the premises of Meet Plast (No 42/11 & 42/13) as well as loose slips of papers and delivery challans as written by him as well as Shri Nitinbhai Patel on the specific instructions of Shri Ramesh Patel of Meet Plast. Such delivery challans were used for clearance of PET Bottles to various customers, without any bills / invoices. He specifically stated that since he would sit and work in the office premises of Margi Polyplast together with Shri Vipul Patel, Sanjay Patel, Nitin Patel, he was aware that the accounts of the transactions of sales / removals of PET bottles was maintained under a fictitious name of M/s Meet Polymers.

12.4.3. A statement of Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad, was recorded on 29/05/12 under section 14 of the Central Excise Act 1944, wherein he interalia stated that he was engaged in the processing of plastic granules from the plastic waste supplied to him by Shri Rameshbhai Purshottambhai Patel of M/s Meet on the machine installed in the said premises. He had also identified the entries on the collection book pages 163 to 165 in dairy no 1 for the year 2009-10 and pages 261 of dairy No 2 for the year 2010-11 as pertaining to his transactions with Shri Rameshbhai Purshottambhai Patel. He explained that the credit side of the account in the mentioned pages stated the value of goods (plastic granules) removed / cleared by him to M/s Meet, whereas the Debit side mentioned the payments received by him / paid by Shri Rameshbhai Purshottambhai Patel on his behalf like job charges, labour expenses, electricity expenses and salaries.

12.5. Investigation from the statements of the aforesaid persons recorded under Section 14 of the Central Excise Act, 1944, who undertook manufacture/job work of *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, promoted by and directly under the control of Shri Rameshbhai Purshottambhai Patel of M/s Meet, revealed that PET bottles were also manufactured in the premises of Margi Polymers, Dharti Polyplast, adjoining the premises of M/s Meet. These PET bottles bear brand name "MEET". Shri Rameshbhai Purshottambhai Patel had supplied the dies/mould free of cost for embossing the brand name "MEET". It was revealed that the raw materials such as plastic granules and handles were also supplied by Shri Rameshbhai Purshottambhai Patel to the above mentioned units. It was confirmed in the statement dated 15.6.12 of Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers that Shri Rameshbhai Purshottambhai Patel managed the complete affairs of the his unit and he was following absolute directions of Shri Rameshbhai Purshottambhai

Patel of M/s Meet. The finished goods were removed without any support of any documents. These depositions of Shri Vipul V Patel, was also corroborated with the collection book wherein it was evident that the cash payments were received by him, which was paid by Shri Rameshbhai Purshottambhai Patel, for expenses like job charges, labour, electricity etc.. From the statement of Shri Jitendra Patel, who manufactured PET bottles it was revealed that Shri Rameshbhai Purshottambhai Patel had purchased a PET blowing machine and given to him to operate and manufacture PET bottles. Shri Jitendra Patel confirmed that the PET bottles so manufactured at his premises were cleared to M/s Meet without support of invoices, for which raw materials were supplied by Shri Rameshbhai Purshottambhai Patel. The facts were corroborated with the delivery challans and slips of paper which was written by Shri Jitendra Patel as well as Shri Nitin Patel, on directions by Shri Ramesh Patel of M/s Meet. The transactions regarding the sales and removals of PET bottles was maintained under a fictitious name M/s Meet Polymers. The investigation revealed that M/s Dharti Polyplast received plastic waste from Shri Ramesh Patel of M/s Meet for conversion into plastic granules for which the expenses of job, labour, electricity charges were borne by Shri Ramesh Patel of M/s Meet.

Investigation from the persons who had purchased finished goods - Plastic Buckets, Tubs, Baskets, PET Bottles etc from Shri Rameshbhai Purshottambhai Patel of M/s Meet.

12.6 Various persons whose names were written in the said collection books, and identified by Shri Nitinkumar Patel and Shri Rameshbhai Purshottambhai Patel in their respective statements as those who had purchased the finished goods - -- Plastic Tubs, Baskets, Buckets and PET bottles from Shri Rameshbhai Purshottambhai Patel of M/s Meet were summoned and their statements recorded. The same are discussed as under:-

12.6.1. A statement of Shri Deepak Kumar Chachaldas Thalani, Proprietor, M/s. M.K. Plastics, Naroda Road, Ahmedabad, was recorded on 24.6.2011 under Section 14 of the Central Excise Act, 1944, wherein he, interalia stated that his firm was engaged in purchase and sale of Plastics Articles since last three year; that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad since last two years; that payments towards sales were made in cash to Shri Rameshbhai Purshottambhai Patel; that they sold plastic scraps to M/s Meet and purchased finished goods from M/s Meet and the differential amount of said purchases and sales was paid in cash to Shri Rameshbhai of M/s Meet. In his statement he was shown a worksheet prepared on the basis of two collection books serially no. 1 & 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which were seized, he interalia stated that the said worksheet shows the transaction value of Rs. 20,38,912/- during the year 2009-10 and Rs. 6, 86,456/- during the year 2010-11, made between M/s M .K .Plastic and M/s Meet; that he confirmed that the said work sheet has correctly been prepared on the basis of the information available in the said seized documents.

12.6.2. A statement of Shri Motilal P Panjwani, Prop of M/s Heema Plastics, Shop No 19 kalupur Bridge, Ahmedabad was recorded on 29.2.2012 under Section 14 of Central Excise Act, 1944, wherein he confirmed the contents mentioned in the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.2010 & 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet and he interalia stated that during the year 2009-10 and 2010-11 they had purchased plastic Buckets/tubes/ Plastic Kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing, all orders were verbally placed with Shri Rameshbhai Purshottambhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. Further, he confirmed the contents mentioned in the. In his statement he was shown page no. 249 and page no. 346 contained in two collection books serially no. 1 & 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which were seized, and on perusal he stated that wherein the title of the pages shown as HEEMA Plastics, Ahmedabad contain the details of purchases of plastic Buckets/tubes/ Plastic Kitchen wares undertaken by him or his firm on the dates mentioned; that the value/amount involved of such purchases and the dates, when he had paid the said amount to Shri Rameshbhai Purshottambhai Patel; that all the purchase had been received by him without invoices or bills and for which he had made payments in cash and no records were mentioned by him of such transactions; that he/ his firm M/s Heema Plastic, Shop No. 19, Kalupur Bridge, Ahmedabad had purchased plastic Buckets/tubes/ Plastic Kitchen wares worth Rs. 3,84,992/-from M/s Meet for which no bills had been received by them and all the payments had been made in cash to Shri Ramesh Bhai Patel and no receipts of the such payments had been asked by him or given to him.

12.6.3. A statement of Shri Mitesh Nareshbhai Datania of Visat Plastics 37-57/2/1, Bhukarani Pol, Bawano vando, Shahpur, Ahmedabad, was recorded on 29.02.2010, under Section 14 of the Central Excise Act, 1944, wherein on perusal of the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.2010 & 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet, he confirmed the facts mentioned therein and interalia stated that his firm had neither registered with any statutory authority nor had any bank account; that during the year 2009-10 and 2010-11 they had purchased plastic Buckets/tubes/ Plastic Kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing, all were telephonically or personally placed with Shri Rameshbhai Purshottambhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. In his statement he was shown page no. 211/212 and page no. 321 contained in two diaries, serially no. 1 & 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals,

Odhav, Ahmedabad which were seized, he stated that wherein the title of the pages shown as Rajubhai Visat and Visat Plastic, Ahmedabad contains the details of purchases of plastic Buckets/tubes/ Plastic Kitchen wares undertaken by him or his firm on the dates mentioned; that the value/amount involved of such purchases and the dates, when he had paid the said amount to Shri Rameshbhai Purshottambhai Patel; all the purchase had been received by him without any invoices or bills and for which he had made payments in cash and no records were mentioned by him of such transactions. In his stated he was asked about "Rajubhai" he stated that Rajubhai was his father's alias name, though his father's actual name was Nareshbhai; that he/ his firm M/s Visat Plastic, Ahmedabad had purchased plastic Buckets/tubes/ Plastic Kitchen wares worth Rs.12,02,122/- from M/s Meet for which no bills had been received by them and all the payments had been made in cash to Shri Ramesh Bhai Patel and no receipts of the such payments had been asked by him or given to him.

12.6.4. A statement of Shri Kalpeshbhai Babulal Patel, having godown situated at 46/6, Opp Saibaba Mandir, Nr Moti Tanki, Danapith, Surat, was recorded on 02.03.2012, under Section 14 of the Central Excise Act, 1944, wherein he confirmed the contents mentioned in the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.2010 & dated 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet and inter-alia stated that he was engaged in the retail sales / trading of goods of M/s Meet i.e. House Hold plastic Kitchen wares like Tubes , Buckets etc and acted as a commission agent for Shri Rameshbhai Purshottambhai Patel of M/s Meet; that he would get the orders from different retailers and passed on the same to Shri Rameshbhai Purshottambhai Patel, telephonically; that no purchase orders had been placed by him with Rameshbhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "*Meet*" **embossed** on the bottom of each bucket/tube In his statement he was shown page no. 253 to 255 of Collection Book No. 1 and page no. 351 of Collection Book No.2 contained in two diaries, serially no. 1 & 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which were seized, and on perusal he stated that wherein the title of the pages shown as "Kalpeshbhai Surat and Kalpeshbhai Patel Surat" contains the details of purchases of plastic Buckets/tubes/ Plastic Kitchen wares undertaken by him or his firm on the dates mentioned; that the value/amount involved of such purchases and the dates, when he had paid the said amount to Shri Rameshbhai Purshottambhai Patel; all the purchase had been received by him without any invoices or bills and for which he had made payments in cash and no records were mentioned by him of such transactions. In the statement he was shown a worksheet prepared on the basis of the purchase details mentioned at pages 253 to 255 of Collection Book No. 1 and page no. 351 of Collection Book No.2 serially no. 1 & 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad, and on perusal, he stated that he had received plastic Buckets/tubes/ Plastic Kitchen wares worth Rs. 98,96,205/- from Shri Rameshbhai Purshottambhai Patel of M/s Meet for which no bills had been received by them and all the payments

had been made in cash to Shri Ramesh Bhai Patel and no receipts of the such payments had been asked by him or given to him.

12.6.5. A statement of Shri Rajeshbhai Kishanchand Mojwani, Proprietor of Sonal Plastics, Opp Juna kapad Bazar, Delhi Darwaja, Ahmedabad was recorded on 02.03.2012, under Section 14 of the Central Excise Act, 1944, wherein he perused the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.2010 & dated 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountanat of M/s Meet and confirmed the facts mentioned therein and inter alia stated that he was the owner of M/s Sonal Plastic and engaged in the retail selling of House Hold plastic Kitchen wares for the last 5 years; that during the year 2009-10 and 2010-11 he had purchased plastic Buckets/tubes/ Plastic Kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing , all were telephonically placed with Shri Rameshbhai Purshottambhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "**Meet**" embossed on the bottom of each bucket/tube. In his statement he was shown page no. 339 to 346 of Collection Book No. 1 and page No. 441 to 442 of collection Book No. 2, serially no. 1 & 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad wherein the title "Rajubhai R.S. Sonal, Ahmedabad and R.S. Ahmedabad" has been mentioned, on perusal, he stated that the details mentioned in the said page nos., shows the details of purchases of plastic Buckets/tubes/ Plastic Kitchen wares from M/s Meet and all the mentioned goods had been received by him without any delivery challans or invoices and he had made payment in cash. In his statement he was also shown a worksheet prepared on the basis of the purchase details mentioned at page nos. 339 to 346 of Collection Book No. 1 and page no. 411 to 442 of Collection Book No.2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which were seized, and on perusal he accepted the correctness of the same and stated that he or his firm M/s Sonal Plastics, Opp Juna Kapad Bazar, Delhi Darwaja, Ahmedabad had purchased plastic Buckets/tubes/ Plastic Kitchen wares valued worth Rs. 39,86,688/- as mentioned in Collection Book No. 1 and valued worth Rs.8,07,234/- as mentioned in the collection Book No. 2, total value Rs.47,93,922/- from M/s Meet, for which no bills / invoices had been received by them and all the payments had been made in cash to Shri Ramesh Bhai Patel and no receipts of the such payments had been asked by him or given to him.

12.6.6. A statement of Shri Ashokbhai Shitaldas Balwani, proprietor of M/s Sant Asharam Plastic Centre, Shop No C/27 – B, Opp Delhi Darwaja, Shahpur, Ahmedabad, was recorded on 2.3.2012, under Section 14 of the Central Excise Act, 1944, wherein he on perusal of the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.2010 & dated 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet, he confirmed the facts mentioned therein and inter alia stated that he

was the owner of M/s Sant Asharam Plastic Centre, and engaged in the retail selling of House Hold plastic Kitchen wares for the last 5-6 years; that during the year 2009-10 and 2010-11 he had purchased plastic Buckets/tubes/ Plastic Kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing , all were telephonically placed with Shri Rameshbhai Purshottambhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "**Meet**" embossed on the bottom of each bucket/tube. In his statement he was shown page no. 239-240 of Collection Book No. 1 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which was seized, wherein title "Vadil, Ahmedabad" has been mentioned, on perusal, he stated that the details mentioned in the said page nos., shows the details of purchases of plastic Buckets/tubes/ Plastic Kitchen wares from M/s Meet and all the shown goods had been received by him without any delivery challans or invoices and he had made payment in cash. In his statement he was also shown a worksheet prepared on the basis of the purchase details mentioned at page nos. 239-240 of Collection Book No. 1 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which was seized, and on perusal, he accepted the correctness of the same and stated that he or his firm M/s Sonal Plastics, Opp Juna Kapad Bazar, Delhi Darwaja, Ahmedabad had purchased plastic Buckets/tubes/ Plastic Kitchen wares valued worth Rs.722096/- as mentioned at page nos. 239-240 of Collection Book No. 1, from M/s Meet, for which no bills / invoices had been received by them and all the payments had been made in cash to Shri Ramesh Bhai Patel ; that no receipts of the such payments had been asked by him or given to him.

12.6.7. A statement of Shri Sunderbhai H. Utwani Prop of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad was recorded on 02.03.2012, under Section 14 of the Central Excise Act, 1944, wherein he confirmed the contents mentioned in the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.10, 1.10.2010 & 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet and inter-alia stated that he was the owner of M/s Sunder Trunk Mart and engaged in the retail selling of House Hold plastic Kitchen wares for the last 4-5 years; that during the year 2009-10 and 2010-11 he had purchased plastic Buckets/tubes/ Plastic Kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing, all were telephonically placed with Shri Rameshbhai Purshottambhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "**Meet**" embossed on the bottom of each bucket/tube.. On perusal of page no. 227-228 of Collection Book No. 1 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which was seized, wherein title "Sunderbhai Ahmedabad" has been mentioned, he stated that the details mentioned in the said page nos., shows the details his name and purchases of plastic

Buckets/tubes/ Plastic Kitchen wares from M/s Meet and all the shown goods had been received by him without any delivery challans or invoices and he had made payment in cash. In his statement a worksheet i.e. a reproduction of the purchase details of the mentioned page nos. 227-228 of Collection Book No. 1 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which was seized, was perused and he accepted the correctness of the same and stated that he or his firm M/s Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad had purchased plastic Buckets/tubes/ Plastic Kitchen wares valued worth Rs. 892668/- as mentioned at page nos. 227-228 of Collection Book No. 1, from M/s Meet, for which no bills / invoices had been received by them and all the payments had been made in cash to Shri Ramesh Bhai Patel and no receipts of the such payments had been asked by him or given to him.

12.6.8. A statement of Shri Kamleshbhai Chhatarbhuj Maheshwari, Prop of Kailash Vasan Bhandar, Nr Mahajan Hospital, Delhi Gate, Palanpur, was recorded on 13.03.2012, under Section 14 of the Central Excise Act, 1944, wherein he confirmed the contents mentioned in the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.10, 1.10.2010 & 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet and inter-alia stated that he was the owner of M/s Kailash Vasan Bhandar, and engaged in the retail selling of House Hold plastic Kitchen wares for the last 12 years; that during the year 2009-10 and 2010-11 he had purchased plastic Buckets/tubes/ Plastic Kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing , all were telephonically placed with Shri Rameshbhai Purshottambhai Patel; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked Meet Plast to issue any bill; that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "**Meet**" embossed on the bottom of each bucket/tube.. On perusal of pages nos. 223-224 of Collection Book No. 1 and page no. 333 of Collection Book No. 2 appearing at Sr. Nos. 1 and 2 of Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which were seized, wherein title "Kamleshbhai-Palanpur" has been mentioned, he stated that the details mentioned in the said page nos., shows the details his name and date wise purchases of plastic Buckets/tubes/ Plastic Kitchen wares from M/s Meet and all the shown goods had been received by him without any delivery challans or invoices and he had made payment in cash. In his statement a worksheet prepared on the basis of the purchase details mentioned at pages nos. 223-224 and of Collection Book No. 1 and page no. 333 of Collection Book No. 2 appearing at Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which was seized, was perused and he accepted the correctness of the same and stated that he or his firm M/s Kailash Vasan Bhandar, Nr Mahajan Hospital, Delhi Gate, Palanpur had purchased plastic Buckets/tubes/ Plastic Kitchen wares valued worth Rs.720605/- as mentioned at page nos. 223-224 of Collection Book No. 1 and valued worth Rs.287502/- as mentioned at page no. 333 of collection Book No. 2, total value Rs.1008107/- from M/s Meet, for which no bills / invoices

had been received by them and all the payments had been made in cash to Shri Ramesh Bhai Patel and no receipts of the such payments had been asked by him or given to him.

12.6.9. A statement of Shri Naeem Salim Ansari, Proprietor of M/s Nafis Plastics, Rampura – Saiyedpura, Rajawadi, Surat, was recorded on 06.03.2012, under Section 14 of the Central Excise Act, 1944, wherein he confirmed the contents of the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad and statements dated 30.09.10, 1.10.2010 & 06.10.2010 of Shri Rameshbhai Purshottambhai Patel of M/s Meet as well as the statement dated 15.11.2011 of Shri Nitin Kumar Patel, Accountant of M/s Meet and inter –alia stated that he is the owner of M/s Nafis Plastics and engaged in selling and purchasing of plastic scraps from local vendors and selling of House Hold plastic Kitchen wares for the last 5 years ; that during the year 2009-10 and 2010-11 he had purchased plastic Buckets/tubes/ Plastic Kitchen wares against selling of plastic scraps from Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav, Ahmedabad; that no purchase orders were placed by him in writing, all were telephonically placed with Shri Rameshbhai Purshottambhai Patel; that sometimes sales invoices or bills were issued and sometimes not issued by M/s Meet for the sales made; that the finished goods i.e. plastic Buckets/tubes/ Plastic Kitchen, were dispatched by Shri Rameshbhai by the vehicle after unloading, on which the plastic scraps was sent by me to his premises; that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words **“Meet” embossed** on the bottom of each bucket/tube.. On perusal of Delivery Challan No. 368 dated 29.09.2009, which was issued in the name of Shri Ansari, Surat, mentioning the vehicle No. GJ-5-AT-8371, he stated that he had made the said purchase order telephonically to Shri Rameshbhai Purshottambhai Patel for purchasing goods and Shri Patel had informed that the said goods had been dispatched to him (Surat) on 29.09.2009. In his statement he was shown page nos. 263-264 and of Collection Book No. 1 and page no. 371 of Collection Book No. 2 appearing at Sr. Nos. 1 and 2 of Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad which were seized, wherein title “Nafis Plastic” has been mentioned, and on perusal he inter-alia stated that the details mentioned in the said page nos., shows the details his name and date wise purchases of plastic Buckets/tubes/ Plastic Kitchen wares from M/s Meet and selling of plastic scraps to M/s Meet by him ; that all the goods had been dispatched and received; that all the transactions had been made in cash and no receipt had been given or received. In the statement a worksheet prepared on the basis of the purchase details mentioned at pages nos. 263-264 of Collection Book No. 1 and page no. 371 of Collection Book No. 2, was perused and he accepted the correctness of the same and stated that the transaction of Rs.6665208/- as mentioned in the said seized collection book No. 1 and Rs.1838586/- as mentioned in the said seized collection book no. 2, totaling Rs.8503794/- had been made between M/s Meet and M/s Nafis Plastic.

12.7. From the above, it is revealed that all of them were engaged in the retail sale / trading of house hold plastic articles like tubs, buckets etc. These persons had interalia deposed that during the years 2009-10 and 2010-11 they purchased Plastic Buckets / Tub / plastic kitchen wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad, who they knew to be manufacturer of the above goods ; that they would interact with Shri Rameshbhai Purshottambhai

Patel either on telephone or personal visits; that no purchase orders were placed in writing; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked M/s Meet or Shri Rameshbhai Purshottambhai Patel to issue any bills ; that they would either take delivery of the purchases and make own arrangements for transportation or sometimes on request Shri Rameshbhai would deliver the goods purchased; that Plastic tubs / buckets / kitchen wares purchased by them would have the words "Meet" embossed on the bottom of each bucket / tub etc. They had identified their transactions with Shri Rameshbhai Purshottambhai Patel of Meet Plast on the respective page numbers as written in the two Collection books when showed to them. They affirmed that the respective entries contained details of purchases of Plastic buckets / tubs / Kitchen wares on the dates mentioned, the value / amount involved of such purchases, the dates and amounts had paid to Shri Rameshbhai Purshottambhai Patel. They had categorically stated that all the goods purchased as mentioned in the said collection books were received by them without any invoices or bills and for which they had made payments in cash and no records were maintained for such transactions. A worksheet has been prepared on the basis of the information available in the two seized collection books, indicated page numbers, details of purchasers, date of transactions, date of payments made towards the purchases of Buckets, Tub and Baskets etc from M/s Meet. On perusal of the same the buyers have accepted that they purchased plastic Buckets / tubs / plastic wares as per the amounts mentioned from Shri Rameshbhai Purshottambhai Patel proprietor of M/s Meet 35/6, opp. M/s Jay Chemicals Odhav, Ahmedabad for which no bills were received, and all the amounts on the dates mentioned in the collection books, that the payments were made in cash to Shri Rameshbhai Purshottambhai Patel of M/s Meet, and no receipts of such payments were asked by them nor given.

13. A list of such persons whose statements were recorded and who confirmed the quantum of purchases of – Plastic Tub, Baskets, Buckets and PET bottles from Shri Rameshbhai Purshottambhai Patel of M/s Meet as appearing in their respective accounts in the collection books has been summarized below:-

Sl. No.	Date of statement & particulars of the person. (Buyers)	Page nos in Collection books	Name / Title as written in Collection books	Total Amount transactions
1	Dated 24/06/2011 of Shri Deepak kumar chachaldas Thalani, Proprietor, M/s. M.K. Plastics, Naroda Road, Ahmedabad.	1 - Pg.201-205	M. K. Plastics	27,25,368/-
2	Dated 29/02/12 of Shri Motilal P Panjwani, Prop of M/s Heema Plastics, Shop No 19 kalupur Bridge, Ahmedabad.	1 - Pg.249 2 - Pg.346	Heema Plastics Ahmedabad	3,84,992/-
3	Dated 29/02/12 of Shri Mitesh Nareshbhai Datania of Visat Plastics 37-57/2/1, Bhukarani Pol, Bawano vando, Shahpur, Ahmedabad	1 -Pg. 211,212 2 - Pg. 321	Rajubhai Visat Plastics and Visat Plastics	12,02,122/-
4	Dated 02/03/12 of Shri Kalpeshbhai Babulal Patel, having godown situated at 46/6, Opp Saibaba Mandir, Nr Moti Tanki, Danapith, Surat.	1 - Pg. 253,255 2 -Pg.351	Kalpeshbhai Patel Surat & Kalpeshbhai Surat	98,96,205/-
5	Dated 02/03/12 of Shri Rajeshbhai	1 -Pg.	Rajubhai	47,93,922/-

	Kishanchand Mojwani, Proprietor of Sonal Plastics, Opp Juna kapad Bazar, Delhi Darwaja, Ahmedabad.	339,346 2 - Pg.441,442	R.S. Sonal Ahmedabad & R.S. Ahmedabad	
6	Dated 02/03/12 of Shri Ashokbhai Shitaldas Balwani, proprietor of M/s Sant Asharam Plastic Centre, Shop No C/27 - B, Opp Delhi Darwaja, Shahpur, Ahmedabad.	1 -Pg. 239,240	Vadil Ahmedabad	7,22,096/-
7	Dated 02/03/12 of Shri Sunderbhai H. Utwani Prop of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad.	1 -Pg 227,228	Sundarbhai Ahmedabad	8,92,668/-
8	Dated 13/03/12 of Shri Kamleshbhai Chhatarbhuji Maheshwari, Prop of Kailash Vasani Bhandar, Nr Mahajan Hospital, Delhi Gate, Palanpur.	1 - Pg.223,224 2 -Pg 333	Kamleshbhai Palanpur	1008107/-
9	Dated 06/03/12 of Shri Naeem Salim Ansari, Proprietor of M/s Nafiz Plastics, Rampura - Saiyedpura, Rajawadi, Surat	1 -Pg 263,264 2 -Pg. 371	Nafiz Plastics	85,03,794/-

14. Investigation from the aforesaid statements of the persons who purchased finished goods *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, from Shri Rameshbhai Purshottambhai Patel, of M/s Meet, recorded under Section 14 of the Central Excise Act, 1944, corroborated with the evidences such as collection books of the respective buyers of finished goods revealed the details of the transactions about the purchase of the finished goods *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, and it also showed details of purchases of Plastic buckets / tubs / Kitchen wares on the dates mentioned, the value / amount involved of such purchases, which were received by them without invoices/bills for which payments were made in cash to Shri Rameshbhai Purshottambhai Patel of M/s Meet and no records for such transaction was maintained by them. All the buyers of finished goods whose statements were recorded under Section 14 of the Central Excise Act, 1944, had confirmed and categorically confessed in their statements the quantum of purchases of Plastic Tubs, Baskets, Buckets and PET bottles from Shri Rameshbhai Purshottambhai Patel of M/s Meet and accepted that they purchased plastic Buckets / tubs / plastic wares from Shri Rameshbhai Purshottambhai Patel proprietor of M/s Meet 35/6, opp Jay Chemicals Odhav, Ahmedabad for which no bills were received, and all the amounts mentioned in the collection books and the payments were made in cash to Shri Rameshbhai Purshottambhai Patel of M/s Meet, and no receipts of such payments were received by them.

15. Investigation from M/s Meet:-

15.1. A statement of Shri Rameshbhai Purshottam Patel, proprietor of M/s Meet, situated at Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad was recorded on 22/06/12, under Section 14 of the Central Excise Act, 1944, in which he perused his previous statements dated 30.09.2010, 01.10.2010, 06.10.2010 and 19.11.2010, and also shown and confronted with the following documents:

- i. Panchnama dated 30.09.2010, drawn at the factory premises of M/s Meet, Odhav, Ahmedabad;

- ii. Panchnama dated 30.09.2010 drawn at the premises of M/s Margi Polymers 36/7, Opp. Jay Chemicals GIDC Odhav Ahmedabad;
- iii. Statement dated 06.10.11, 21.06.11 and 15.11.11, of Shri Nitinkumar Nathalal Patel, Accountant, recorded under Section 14 of the Central Excise Act, 1944.
- iv. Collection book-1 (for the year 2009-10 & collection book-2 (for the year 2010-11) withdrawn at Sr. Nos.1 and 2 of Annexure-A to the Panchnama dated 30.9.2010 drawn at M/s Meet, Odhav, Ahmedabad;
- v. Statement dated 15.6.2012 of Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers, recorded under Section 14 of the Central Excise Act, 1944.

15.1 After perusing the aforesaid statements, panchnama and confronted with the records/documents and on agreeing to the contents of the same, Shri Rameshbhai Purshottam Patel interalia specifically deposed that Shri Nitin Patel his accountant has written the said collection books in his own handwriting, on the basis of the information given by him, either verbally or in the form of delivery challans; that he would sit with and direct / inform Shri Nitinbhai about the entries to be made, wherever the challans were issued and the amounts mentioned; that such details were then entered in the relevant ledger account of the particular person; that the sales were mentioned on the Debit side of the relevant pages along with the value of goods sold, whereas on the credit side the details of payments received have been entered in the respective personal ledger account; that likewise in case of the purchases, the value of goods purchased has been written on the credit side, whereas payments made have been written on the debit side.

15.2. In his statement Shri Rameshbhai P Patel, when confronted about the entries of delivery challans withdrawn from the factory premises under the panchnama dated 30.9.2010, where no amount was written but only the quantity of dispatches were mentioned, he stated that sometimes sales of Plastic tubs, Buckets, etc., were effected from the factory gate, where only the quantities were written and sometimes no challans were issued as the payments were received in cash the same day; that such sales were not entered in the respective ledger account, but were added in the final daily total of the sales; that the details of which were intimated to Shri Nitin Patel who would include such cash receipts in the account mentioned as Purchase Sales ("Kharid / Vechan") appearing at pages 01 to 15 & 01 to 05 in the collection books. He also categorically accepted that all the transactions entered in the said collection books were of receipts or payments in cash and the corresponding value of sales and purchases. He also explained that the types of transactions entered in the said collection books were date wise details of purchases made, its payments to the concerned person, the value of sales effected, their receipt in cash, payments made to persons who would undertake conversion (job work) of waste plastic scrap into granules etc, payments made to transporters, misc expenses, wages paid etc. He also stated that transactions that have not been accounted for in the Account books of Meet Plast, and which are not incorporated in the VAT returns filed, were mentioned in the said collection books as they contained details of illicit Purchases of Raw material and Illicit sales effected by Meet Plast where no purchase invoices were received and no sales invoices were issued; that he used to tell the details of daily sales/purchase to Shri Nitinbhai and accordingly Shri Nitinbhai accounted the details of daily sales/purchase in the collection book-1

(page No.1 to 15) and collection book-2 (page No.1 to 5); that the details of account of sales/raw material and illicit clearance of finished goods had been maintained by them since July-2009 and, before July-2009 no account had been maintained and they used to sell the finished goods along with delivery Challans and that were destroyed after their use.

15.3. On perusal of the statements of Nitinkumar Nathalal Patel dated 06/10/11, 21/06/11 and 15/11/11, he was also in confirmation to the role of the persons who have been identified by Shri Nitinkumar Patel – i.e. the customers who had purchased finished goods, persons who had sold inputs like plastic scrap, raffia, dana, colours, handles, the job workers etc. He also stated that the date wise sum total of sales of finished goods – Plastic Buckets, Tubs etc appearing on the Credit side (Vechan) of the collection books appearing at pages – 01 to 15 for 2009-10 and pages 01 to 05 for 2010-11, would be the correct amount of the sales, as even in cases where delivery challans were not issued and sales proceeds received in cash either by him or Shri Nitinbhai Patel, would be included as a single entry on the particular date on the Credit side (Vechan) as the collection books give information about the individual quantum of sales, purchases, payments made and received. He also stated that all the goods cleared were not manufactured on the machinery installed in the factory premises of Meet Plast at 35/A 6; that some finished goods were got manufactured on the machineries installed in the premises at 36-7 of Margi Polymers and of M/s Bansidhar etc. Further he stated that there were two types of processes which he would get done on job work basis. Crushing and grinding of the plastic waste so as to get lumps of plastic waste known as “Rafia” was undertaken by, Shri Nileshbhai B. Patel Partner, M/s. Gopinath Plastic Packaging, C-1/282 Phase-I, GIDC, Naroda, Ahmedabad and by Sanjay Patel of M/s Dharti Polyplast; that finished goods like Plastic tubs buckets etc., were manufactured on his behalf by mainly M/s Shri Jayantibhai Karshanbhai Radadiya, Owner, M/s. Bansidhar Plastics Rabari Colony, Odhav, Ahmedabad, and by Shri Vipul Patel of Margi Polymers; that the Plastic scrap purchased from different hawkers and suppliers of Rafia like “Kantibhai Rafia”, Mehbubbbhai, Firozbhai, Mahalaxmi Plastic, etc., were sent for crushing / grinding to the mentioned persons, and granules received which were their main inputs were used to manufacture plastic tubs, buckets and baskets also on job work; that in addition to plastic granules other inputs like master batches, titanium, colours, handles etc were also supplied by Meet Plast; that Lids of Containers were manufactured on his behalf by Shri Tarunbhai of Dev Plast and the containers were got manufactured by on behalf of M/s Jay Plastic Packaging, Naroda.

15.4. He was also in agreement to the deposition dated 15/06/12 of Shri Vipul Patel, as Shri Vipul Patel would manufacture Plastic Tubs, buckets, Baskets etc all on his behalf, all of which would bear the brand name “MEET”; that the moulds / dies were supplied by him free of cost. He also stated that M/s Margi Polymers or Vipul Patel was not authorized or instructed to sell the goods manufactured by him to anyone else; that M/s Margi Polymers or Vipul Patel had to undertake work only as per Rameshbhai’s directions and instructions, and thus had not shown any purchases or sale during the year 2009-10 and 2010-11 in their books of accounts ; that Shri Vipul Patel and Shri Sanjay Patel of M/s Dharti Polyplast, Shri Nitinkumar Patel accountant would sit at the office premises situated on the 1st floor of Margi Polymers; that these persons were directed by him to handle work and functions of all the mentioned units, like Vipul would look after cheques / cash deposits in banks, and also

prepare challans and invoices ; that the accounts of Margi Polymers and Dharti Polyplast were maintained by Shri Nitinkumar Patel as per his instructions and directions.

15.5 Shri Rameshbhai Purshottambhai Patel categorically confessed that Shri Vipul Patel of M/s Margi Polymers and Shri Sanjay Patel of M/s Dharti Polyplast were promoted by and supported by him; that both the above persons had no independent say in any functioning of their respective units; that he would reimburse and pay for the salaries, their labour, electricity charges and other expenses; that they had not bargained for the job charges paid as they accepted what was paid to them; that Shri Vipul Patel was paid Rs 7/- per kg of Plastic granules sent for conversion into Plastic Tubs, buckets etc, whereas Shri Sanjay Patel of Dharti Polymers was paid Rs 3.50 for every kg of Rafia converted into plastic granules; that all their accounts, receipts and payments were kept, maintained and updated by Shri Nitinkumar Patel; that they were functioning and reporting to him; that M/s Dharti Polyplast did not even have any Bank account. In his statement he was asked regarding the dispatches of PET bottles as appearing in the delivery challans and the stock of PET bottles found during the stock taking under Panchnama dated 30/09/10 drawn at Shed No 35 A of M/s Meet, Shri Rameshbhai stated that M/s Meet or Margi Polymers do not have any facility to manufacture PET bottles; that the PET bottles of different sizes like water bottles and 250 ml bottles were manufactured by Shivrambhai and Jitubhai based at 36 GIDC Odhav, Opp Jay Chemicals; that he had purchased virgin granules from M/s Yamunaji Enterprise and had given the same to Jitubhai to manufacture PET bottles on his behalf on the machines installed in his premises mentioned above, along with the die marked "MEET"; that all such production of PET bottles was sold by M/s Meet to different customers. He further stated that the PET bottle dispatches have been included in the Vechan side of the Collection books, but to know the exact quantum of and to keep track of the sales of PET bottles, he had written the sales of such accounts under the head "Meet Polymers" which has been mentioned at pages serially numbers -77 and 78 of Collection book number- 1; that he had started the manufacture of PET bottles on job work basis from Shri Jitubhai based at 36 GIDC Odhav from February 2010, and no sales of PET bottles were made prior to that, he would receive the PET Bottles from Jitubhai based at 36 GIDC Estate, which was an adjoining premises on the basis of challans; that these PET bottles were manufactured by them as per his say and directions; that Shri Jitubhai was instructed not to sell the PET bottles to anyone but transfer all the stock to Meet Plast.

15.6 During the deposition a worksheet titled **Appendix- I** was prepared on the basis of information available in the said seized collection book-1 (page No. 1 to 15) and collection book 2 (page No. 1 to 5), appearing at Sr. Nos. 1 and 2 of Annexure A to panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad. The said Appendix- I showed details of the entries of the Credit side of the "Kharid Vechan" – (Sales & Purchase account) column mentioned at pages 01 to 15 of collection book Number- 1 and at pages 01 to 05 of collection book Number- 2 detail the actual illicit sales of finished goods manufactured by M/s Meet or got manufactured on his behalf; that after going through the said Appendix I he carefully compared the details mentioned in the said Appendix I with the entries of the Credit side of the "Kharid Vechan" – (Sales & Purchase account) column on pages 01 to 15 of collection book No 1 and pages 01 to 05 of collection book no 2 and he confirmed that the details mentioned in the said Appendix I were as per the facts and information available in

the said two collection books ; that he accepted that as per the said Appendix I, M/s Meet had sold plastics goods such as tubs, buckets, baskets amounting Rs. 4,79,19,332/- for the period of July-2009 to March-2010 and Rs. 4,33,47,619/- for the period of April-2010 to 29.09.2010; that the sales figure mentioned in the appendix-1 showed the correct sales value **Rs.9,12,66,951/- (4,79,19,332 + 4,33,47,619/-)** which has been prepared as per the details mentioned on the said seized collection book-1 (page No. 1to 15) and collection book 2 (page No. 1 to 5); that since the entries in the said collection books were made up to 28/09/10, that the dispatches i.e. illicit clearances of Plastic Tub, Buckets, Baskets, PET bottles all of "Meet" Brand effected on 29/10/10, not included in the collection book (Vechan) sales side, were also included as appearing at Delivery Challan Book No 42/02 that was seized during panchnama dated 30/09/10, which worked out to Rs 79,404/-. He accepted that the total value of illicit clearances for the year 2009-10 were Rs 4,79,19,332/- and for the period from April 2010 to 29/09/10 the illicit clearances of the above goods were to the tune of Rs 4,33,47,619/-.

15.7. Further, on the basis of the Tax invoices, Retail Invoices, clearances shown at the pages 1 to 15 and 77 and 78 of the collection Book No. 1 and clearances shown at the pages 1 to 5 of the Collection Book No. 2 for the years 2009-10 and 2010-11, which were resumed under panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad, a worksheet has been prepared. For the sake of convenience and reference the same has been reproduced as under:-

SI No	Particulars of records on the basis of which the clearances have been worked out	SI No to Annex A to the panchnama	Amount involved (Rs)		Remarks
			up to 28/02/2010	01/03/10 to 31/03/10	
Year-2009-10					
1	Tax Invoices SI Nos 1 to 42	11 & 19	1190100	142422	
2	Retail Invoices SI Nos 1 to 50	11 & 32	836600	0	
3	Retail Invoices SI Nos 51 to 150	11 & 36	1986776	0	
4	Retail Invoices SI Nos 151 to 178	11 & 34	191013	276375	
5	Illicit Clearances as per Collection Book (CREDIT) (pages 01 to 15)	1	41506419	6412912	47919332
6	Total Clearances		45710908	6831709	52542617
7	SSI benefit		15000000	---	
8	Total Dutiable clearances		30710908	6831709	
9	Prevailing rate of Central Excise duty		@ 8%	@ 10%	
10	Total Duty evaded for the year 2009-10		2456873	683171	3140044
Year -2010-11					
1	Retail Invoices SI Nos 1 to 17 (excluding Job work)	14 & 33	467100		
2	Tax Invoice SI No 1 to 37	14 & 37	1009356		
3	Retail Invoices SI Nos 51 to 94 (excluding Job work)	35	71600		
4	Illicit Clearances as per Collection Book (CREDIT) (pages 01 to 05)	1 & 2	43268215		
5	Clearances on the basis of DCs not included in the CB	42/2	79404		
Sub-Total of Illicit Clearances			43347619		
6	Total Clearances		44895675	duty @ 10%	4489568
TOTAL DUTIABLE CLEARANCES IN 2009-10 & 2010-11					
				82438292	
Basic duty for the year 2009-10 and 2010-11				7629611	
Education Cess @ 2%				152592	
Sec & HS Education Cess @ 1%				76296	
TOTAL CENTRAL EXCISE DUTY ON ILLICIT				7858499	

CLEARANCES MADE IN THE YEARS 2009-10 & 2010-11.

15.8 The said worksheet showing details of evasion of Central Excise duty to the tune of Rs. 78,58,499/- (including Education Cess and Higher Secondary Education Cess). The Central Excise duty was computed after taking into account the Tax invoices / Retail Invoices issued by M/s Meet from the period April 2009 to 29th Sept 2010. Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet in his statement dated 22/06/12, confirmed the correctness of the said work sheet and he also confessed that the sales value for 2009-10 was, Rs.5,25,42,617/- and for 2010-11 it was Rs. 4,48,95,675/- which included retail invoices & tax invoices and illicit clearances as shown in the collection books and the Central Excise duty after availing the benefit of the SSI exemption of Rs.150 lacs for the year 2009-10 the Central Excise duty(inclusive of Cess) is Rs.3234244/- and for the year 2010-11 the Central Excise duty (inclusive of Cess) which is leviable from the first clearance comes to Rs.46,24,255/- and total Central Excise duty(inclusive of Cess) for both the years is Rs.78,58,499/- including basic Excise duty, Secondary Education Cess & Higher Secondary Education Cess for both the years and he agreed to pay the total Central Excise duty of amount Rs.78,58,499/-.

15.9. On being shown statements recorded under Section 14 of the Central Excise Act 1944 of the persons from whom M/s Meet had purchased the raw materials – like waste & scrap (raffia), dana – granules, bucket / tub handles, dies, colour, persons who have purchased finished goods from you and of persons who have undertaken various job work on your behalf. Shri Rameshbhai Purshottambhai Patel after reading and understanding the contents as mentioned in the respective statements accepted and agreed to their respective depositions. The list of such statements was annexed separately and titled as Appendix III to this statement.

16. Scrutiny of the other records:-

Scrutiny of the other documents such as weighment slips; Delivery challans of removals of PET bottles; receipt of Handles for buckets; Electricity bills; Purchase invoices of inputs like Plastic reprocess granules; Daily transaction account books and Daily production register Article stock Register withdrawn under panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6, GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad, reveals that M/s Meet Plast had not only been engaged in the manufacture of excisable goods but also cleared the excisable goods clandestinely. The detailed scrutiny of the said documents is discussed as under:-

16.1 The File appearing at Sl. No. 21 to the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad, contains details of weighment slips; Delivery challans of removals of PET bottles, receipt of Handles for buckets, and also Electricity bills of Service No 177768 in the name of Suroche Industries 36 GIDC Odhav for the period 2009-10. Scrutiny of the said file reveals that all the electricity charges bills mention month wise consumption in excess of 10000 units; that they have received necessary raw material for manufacture of excisable goods without any bill. This corroborates the fact that machineries installed in the said premises were used throughout the year to manufacture the said goods and unaccounted

raw materials were used for manufacture of excisable goods. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty.

16.2 The files appearing at Sl nos 13 & 22 to the panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad contain purchase invoices of inputs like Plastic Reprocess granules and RELPET granules falling under Chap Sub Head No 39076090 and purchase invoices of colours for the year 2009-10. Scrutiny of the said files reveals that the said materials were used by M/s Meet for manufacture of PET bottles. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty.

16.3 The File listed at Sl No 12 to the panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad contain Electricity bills of Service No 653663 in the name of Rameshbhai Purshottambhai Patel, 35/P/A B/h CMC, GIDC Odhav & Bank statements of Ahd District Coop Bank & Union Bank of India for the year 2009-10. Scrutiny of the said file reveals that all the electricity charges bills mention month wise consumption in excess of 20000 units; that from the said Bank statements, it has been noticed that M/s Meet had periodically deposited cash amounts in excess of Rs One to 1.5 lakhs. This corroborates the fact that machineries installed in the said premises were used throughout the year to manufacture the said goods. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty and cash proceeds of illicit clearances were received and deposited in the said bank accounts.

16.4 The 11 Daily transaction account books appearing at Sl No 43 to the panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad indicates details of the receipts and payments to particular persons by Shri Rameshbhai Purshottambhai Patel of M/s Meet. On scrutiny of said file, it has been noticed that transactions related to purchase of the raw materials and sales of excisable goods were being made in cash through Shri Rameshbhai Purshottambhai Patel of M/s Meet. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty and cash proceeds of illicit clearances were received by Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav.

16.5. The Daily production register (2009-10) listed at Sl No 27 to the panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad mentioned the date-wise production of "Rafia", Plastic granules and buckets & tubs from 16/11/09 to 14/09/10. On scrutiny of said file, it has been noticed that transactions related to purchase of the raw materials and sales of excisable goods were being made in cash through Shri Rameshbhai Purshottambhai Patel of M/s Meet. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty and cash proceeds of illicit clearances were received by Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav.

16.6. The Article stock Register (2009-10) listed at Sl. No. 41 to the panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav,

Ahmedabad mentioned the details of stock of Plastic Tubs, buckets of different capacities and the quantity of removals of the said goods on the same day either from M/s Meet or from M/s Margi Polymers. Scrutiny of the said register reveals that the said Article stock register was pertaining to period from 02/02/10 to 11/04/10 wherein the details of stock of Plastic Tubs, buckets of different capacities and the quantity of removals of the said goods on the same day either from M/s Meet or from M/s Margi Polymers have been mentioned; that though the value of sales / removals was not mentioned in the said register, the name and the dates mentioned therein correlated with the entries that of mentioned in the said two collection books for the period. The said fully manufactured excisable goods were cleared clandestinely by the M/s Meets with intent to evade Central Excise by way of suppression of the production of the excisable goods by Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav.

17. The investigation from the aforesaid statement of Shri Rameshbhai Purshottam Patel duly corroborated with the documentary evidences reveals that Shri Nitin Patel accountant of M/s Meet has written the said collection books in his own handwriting as per the information given by Shri Rameshbhai Purshottam Patel. Accordingly the transactions of receipts and payments made in cash and the corresponding value of sales and purchases have been entered in the said collection books. The details of the transactions entered in the said collection books indicated date wise purchases made, payments to the concerned person towards purchases/ Miscellaneous expenses including job charges. The said transactions mentioned in the collection books had not been accounted for in their books of Accounts and even were not incorporated in the VAT returns filed by M/s Meet, therefore it conclusively be established that the transactions mentioned in the collection books are of the illicit Purchases of Raw material and Illicit sales effected by M/s Meet since no purchase invoices were received as well as no sales invoices were issued by them. The said undisputed facts, beyond any shadow of doubts, conclusively establish that M/s Meet had intentionally made arrangements for such illicit purchases of raw materials with intent to utilize the same for unreported production of the excisable goods, thus they have not only suppressed production of the excisable goods but also cleared the same illicitly to evade payment of Central Excise duty and other local taxes. The said facts have been admitted by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet in his statement dated 22/06/12 wherein he has accepted that they have made illicit clearances of the excisable goods amounting to Rs 4,79,19,332/- and Rs 4,33,47,619/- during the period 2009-10 and April 2010 to 29/09/10, respectively and accordingly accepted Central Excise duty liability to the tune of Rs.78,58,499/-.

18. Against the said duty liability as admitted by Shri Rameshbhai Purshottambhai Patel Proprietor of Meet Plast, during the investigation has made payments of Rs 25,03,000/-. The details of the same are as under:

Sl No	GAR 7 No	Date	Amt (Rs)
1	Mis-01/2010-2011	05/10/10	5,00,000/-
2	Mis-01/2010-2011	09/12/10	50,000/-
3	Mis-04/2010-2011	15/12/10	50,000/-
4	Mis-04/2010-2011	23/12/10	4,00,000/-

5	Mis-01/2011-2012	21/04/11	2,00,000/-
6	Mis-02/2011-2012	23/04/11	3,00,000/-
7	Mis-02/2011-2012	20/10/11	1,03,000/-
8	Mis-02/2011-2012	02/12/11	2,00,000/-
9		10/02/12	1,00,000/-
10	Mis-09/2011-2012	02/03/12	2,00,000/-
11	Mis-11/2011-2012	14/03/12	1,00,000/-
12	Mis-12/2011-2012	22/03/12	3,00,000/-
TOTAL			25,03,000/-

19. M/s Meet during the course of investigation has applied for Central Excise registration under Rule 9 of the Central Excise Rules, 2002 and has obtained Central Excise registration Number AKKPP 2676D EM 001 on 24/01/2011.

20. Investigation based on documentary evidences such as Collection books, Delivery challans, Bank statements and oral evidences in form of statements of suppliers of the Raw materials, job-workers, Buyers of finished goods, Accountant of M/s Meet as well as statements of Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet, collected during the investigation conclusively be established beyond iota of doubts that M/s Meet had intentionally made arrangements for illicit purchases of raw materials with intent to utilize the same for unreported production of the excisable goods. M/s Meet have not only suppressed production of the excisable goods but also cleared the same illicitly to evade payment of Central Excise duty and other local taxes. The investigation from the facts and evidences as discussed hereinabove reveals that M/s Radhey Plastic and M/s Meet Polymers were fictitious firms floated by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet through which he sold the fully finished excisable goods which were actually being manufactured by M/s Meet. During the investigation the persons who have carried out job-work on behalf of the M/s Meet, suppliers of the raw materials and buyers of the goods of M/s Meet were identified and differentiated. Further, investigation has been extended to ascertain the manner of dealings of the said persons and under the summons proceedings statements of the concerned persons were recorded under Section 14 of the Central Excise Act, 1944.

20.1. From the statements of the persons such as Shri Atul Ranchodbhai Patel, Proprietor of M/s. Mahalaxmi Plastic, 3, Anand Estate, Revabhai Estate Road, CTM, Ahmedabad; Shri Maheshbhai Laxmanbhai Makhija, Proprietor of M/s. Suraj Plastic, Old Cloth Bazar, Delhi Darwaja, Ahmedabad; Shri Mehbubhai Ismilbhai Biyawarewala, Mehbubbbhai M TV, 53, Samir Flat, 4th Floor, Opp. Municipal Kotha, Gollimda, Ahmedabad; Shri Firozbhai Yakubbhai Hazi, 2, Kalapi Flat, Nr. Chandola Talav, Danilimda, Ahmedabad; Shri Faruk M Tekrawala Prop of M/s Horizon Enterprise, 872/2 Bhungli ni Pol, Jamalpur, Ahmedabad; Shri Bhikabhai P Patel, Partner of M/s Sharda Steel Industries, Plot No 304, GIDC Estate, Chhatral, Kalol and Shri Kantibhai Tulsidas Patel, 2, Dhanlaxmi estate, Kathwada Road, B/h GVMM, Odhav, Ahmedabad, it reveals that M/s Meet had purchased raw materials such as plastic scrap, waste colours/ pigments and M.S. handles etc., from the aforesaid suppliers and payments towards the such purchase had been made in cash. The said cash

payments were made by Shri Rameshbhai Purshottambhai Patel of M/s Meet. Sale of plastic scrap, waste colours/ pigments and M.S. handles etc were made by the supplier without issuing and preparing of any invoice and they have not kept details of such sale in their books of Accounts, as no records were maintained by them. Nor any written purchase order for raw material purchase was placed by Shri Rameshbhai Purshottambhai Patel or Shri Nitin Patel of M/s Meet. The said facts were also duly corroborated with the details available in the collection books for the year 2009-10 and 2010-11 of the M/s Meets/persons and all of them when confronted with the said seized documents have confirmed and categorically confessed in their statement recorded under Section 14 of Central Excise Act, 1944, that they had supplied the raw materials without preparing and issuing any invoice/bill and payment of such sale had been made in cash payments, which was received by them from Shri Rameshbhai Purshottambhai Patel of M/s Meet.

20.2. From the statements of the persons such as Shri Jayantibhai Karshanbhai Radadiya, Proprietor of M/s. Bansidhar Plastic, Rabari Colony, Odhav, Ahmedabad; Shri Bhikhabhai Mathurbhai Patel, Partner of M/s. Dev Plastic, 6112, Chirag Estate, Revabhai Estate Road, Rabari Colony, Ahmedabad; Shri Nileshbhai B Patel, Partner of M/s. Gopinath Plastic Packaging, C-1/282, Phase-I, GIDC, Naroda, Ahmedabad and Shri Manish Amrutbhai Patel Authorized Signatory M/s. Jay Plastics Packaging, 1012/A, GIDC, Phase-IV, GIDC, Naroda, Ahmedabad, it reveals that the said job workers have received necessary raw materials for the purpose of job work from Shri Rameshbhai of M/s Meet, without any support of challans and they used to deliver the goods after carrying out job work activities without any support of delivery challans or invoices. The said job workers used to charge the job work charges which were received by them in cash from Shri Rameshbhai Purshottambhai Patel of M/s Meet. The details of cash amount which was paid to them by Shri Rameshbhai Purshottambhai Patel of M/s Meet have been mentioned in the said seized collection books.

20.3. From the statements of the persons such as Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad; Shri Jitendra A Patel, the person who manufactured PET bottles based at 36 GIDC Estate, Opp Jay Chemicals Odhav and Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad who have undertaken manufacture/job work of *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, promoted by and directly under the control of Shri Rameshbhai Purshottambhai Patel of M/s Meet, it reveals that PET bottles were manufactured in the premises of Margi Polymers, Dharti Polyplast, adjoining the premises of M/s Meet. These PET bottles bear brand name "MEET". That Shri Rameshbhai Purshottambhai Patel had supplied the dies/mould free of cost for embossing the brand name "MEET". That the raw materials such as plastic granules and handles were also supplied by Shri Rameshbhai Purshottambhai Patel to the above mentioned units. That Shri Rameshbhai Purshottambhai Patel of M/s Meet managed the complete affairs of M/s Margi Polymers and Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers was following absolute directions of Shri Rameshbhai Purshottambhai Patel. That the finished goods which manufactured by M/s Margi Polymers were removed without any support of documents. That the cash payments were received from Shri Rameshbhai Purshottambhai Patel, was paid for expenses like job charges, labour, electricity etc. From the statement of Shri Jitendra Patel, who manufactured PET bottles, it reveals

that Shri Rameshbhai Purshottambhai Patel had purchased a PET blowing machine and given to him to operate and manufacture PET bottles. That the PET bottles so manufactured at the premises of Shri Jitendra Patel were cleared to M/s Meet without support of invoices, for which raw materials were supplied by Shri Rameshbhai Purshottambhai Patel. The facts were corroborated with the delivery challans and slips of paper which was written by Shri Jitendra Patel as well as Shri Nitin Patel, on directions by Shri Ramesh Patel of M/s Meet. The transactions regarding the sales and removals of PET bottles was maintained under a fictitious name M/s Meet Polymers. That M/s Dharti Polyplast received plastic waste from Shri Ramesh Patel of M/s Meet for conversion into plastic granules for which the expenses of job, labour, electricity charges were borne by Shri Ramesh Patel of M/s Meet.

20.4. From the statements of the persons such as Shri Deepak Kumar chachaldas Thalani, Proprietor of M/s. M.K. Plastics, Naroda Road, Ahmedabad; Shri Motilal P Panjwani, Proprietor of M/s Heema Plastics, Shop No 19 kalupur Bridge, Ahmedabad; Shri Mitesh Nareshbhai Datania of Visat Plastics 37-57/2/1, Bhukarani Pol, Bawano vando, Shahpur, Ahmedabad; Shri Kalpeshbhai Babulal Patel, having godown situated at 46/6, Opp Saibaba Mandir, Nr Moti Tanki, Danapith, Surat; Shri Rajeshbhai Kishanchand Mojawani, Proprietor of Sonal Plastics, Opp Juna kapad Bazar, Delhi Darwaja, Ahmedabad; Shri Ashokbhai Shitaldas Balwani, proprietor of M/s Sant Asharam Plastic Centre, Shop No C/27 – B, Opp Delhi Darwaja, Shahpur, Ahmedabad; Shri Sunderbhai H. Utwani Proprietor of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad; Shri Kamleshbhai Chhatarbhuji Maheshwari, Proprietor of Kailash Vasani Bhandar, Nr Mahajan Hospital, Delhi Gate, Palanpur and Shri Naeem Salim Ansari, Proprietor of M/s Nafiz Plastics, Rampura – Saiyedpura, Rajawadi, Surat, who had purchased finished goods *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, from Shri Rameshbhai Purshottambhai Patel, of M/s Meet, recorded under Section 14 of the Central Excise Act, 1944, which duly corroborated with the documentary evidence *i.e.* collection books resumed during the investigation; it reveals that the aforesaid persons had purchased fully manufactured excisable goods *i.e.* Plastic Buckets, Tubs, Baskets, PET bottles etc., from the M/s Meet. The said purchases had been made in cash and they had received the cash amounts from Shri Rameshbhai Purshottambhai Patel of M/s Meet. The buyers of the finished goods have confirmed and categorically confessed that no purchase bills were received by them from Shri Rameshbhai Purshottambhai Patel of M/s Meet and also confessed that the entire cash amounts as mentioned in the collection books were paid towards purchases of finished goods from Shri Rameshbhai Purshottambhai Patel of M/s Meet, and no receipts of such payments were received by them. The details of said cash amounts have already been mentioned in Para 7.4.11, supra, as such same has not been discussed here for sake of brevity.

20.5. From the statements of Shri Rameshbhai Purshottam Patel duly corroborated with the documentary evidences reveals that Shri Nitin Patel accountant of M/s Meet has written the said collection books in his own handwriting as per the information given by Shri Rameshbhai Purshottam Patel. Accordingly the transactions of receipts and payments made in cash and the corresponding value of sales and purchases have been entered in the said collection books. The details of the transactions entered in the said collection books indicated date wise purchases made, payments to the

concerned person towards purchases/ Miscellaneous expenses including job charges. The said transactions mentioned in the collection books had not been accounted for in their books of Accounts and even were not incorporated in the VAT returns filed by M/s Meet, therefore it conclusively be established that the transactions mentioned in the collection books are of the illicit Purchases of Raw material and Illicit sales effected by M/s Meet since no purchase invoices were received as well as no sales invoices were issued by them. The said undisputed facts, beyond any shadow of doubts, conclusively establish that M/s Meet had intentionally made arrangements for such illicit purchases of raw materials with intent to utilize the same for unreported production of the excisable goods, thus they have not only suppressed production of the excisable goods but also cleared the same illicitly to evade payment of Central Excise duty and other local taxes. The said facts have been admitted by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet in his statement dated 22/06/12 wherein he has accepted that they have made illicit clearances of the excisable goods amounting to Rs 4,79,19,332/- and Rs 4,33,47,619/- during the period 2009-10 and April 2010 to 29/09/10, respectively and accordingly accepted Central Excise duty liability to the tune of Rs.78,58,499/.

21. From the above discussions it appears that Shri Rameshbhai Purshottambhai Patel, the proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad is the architect in the whole gamut of evasion of Central Excise duty on Plastic buckets, tubs, baskets, Pet Bottles, etc that were manufactured and cleared from the factory premises of M/s Meet under the brand name of "Meet". M/s Radhey Plastic and M/s Meet Polymers were fictitious firms floated by Shri Rameshbhai Purshottambhai Patel; Proprietor of M/s Meet to wrongly avail Small Scale Industries exemption. Shri Rameshbhai Purshottambhai Patel has knowingly indulged and involved himself in clearing the said goods that were manufactured on the machineries installed in his M/s Meet, and at other manufacturer's premises, illicitly. He had accepted in his various depositions as discussed hereinabove, wherein that he has admitted that with the help of Shri Nitinbhai Patel, Shri Vipul Patel and Shri Jitendra Patel had prepared delivery challans, (copies of which were seized during the search dated 20/01/11) and would personally hand over the kachha chits – loose challans, supervise and direct him about the entries to be made, where the challans were issued and amounts as mentioned in the DCs were entered in the relevant ledger account of the particular person. He also accepted that all the transactions details as contained in the said two collection books were illicit removals of plastic tubs, buckets, baskets, Pet Bottles etc which were manufactured on the machineries installed in M/s Meet or got manufactured by him through persons who were directly under his control, and where no bills or invoices for clearances of such finished goods were issued.

22. Intense involvement of Shri Rameshbhai Purshottambhai Patel, the proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad is further compounded by the fact that he convinced and pulled other persons into his dubious modus of tax evasion of such magnitude. Shri Vipul Patel of M/s Margi Polymers, Shri Sanjay Patel of M/s Dharti Polyplast, and Shri Jitubhai Patel who would manufacture PET bottles, all were just pawns in his hands as they were promoted and helped by Shri Rameshbhai Purshottambhai Patel. The above said persons have categorically stated in their respective statements that Shri Rameshbhai Purshottambhai Patel who had developed a network of distribution, transportation and customers for his own products, would manufacture and sell other products like Containers with lids, PET Bottles etc. from his premises. But all of these

products were not manufactured on the machines installed in the premises of M/s Meet. Shri Sanjay P. Patel, proprietor of M/s Dharti Polyplast who was engaged in converting the major raw material – plastic granules from Plastic scrap & Rafia, Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers who undertook manufacturing of Plastic Tubs, buckets, baskets all of “Meet” brand, and Shri Jitubhai Patel who would manufacture PET bottles were based in the close vicinity of the factory premises of Meet Plast. All the functioning of these persons / units was centrally monitored, controlled and supervised by Shri Rameshbhai Purshottambhai Patel and Shri Nitinkumar Patel from the office premises based at M/s Margi Polymers. This arrangement augmented effective implementation of the devious means of Central Excise duty evasion formulated by him. Since the very fact that Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers Shri Sanjay P. Patel, proprietor of M/s Dharti Polyplast and Shri Jitubhai Patel were promoted by and supported by Rameshbhai Patel, they had no independent say in any functioning of their respective units, as they were reimbursed and paid the salaries, their labour, electricity and other charges. They had not even bargained for the job charges paid and accepted what was paid to them. All their accounts, receipts and payments were kept, maintained and updated by Shri Nitinkumar Patel on Rameshbhai’s instructions, as they were functioning and reporting to him. It was also forthcoming that M/s Dharti Polyplast did not even have any Bank account. In order to keep a track of the PET bottles manufactured and sold, he had created a fictitious firm M/s Meet Polymers in his books of Accounts with the connivance of the aforesaid persons, M/s Meet has evaded Central Excise duty by way of suppression of production of the excisable goods and clandestinely cleared the said goods with malafide intention as discussed herein above.

23 The buyers as discussed herein above have deposed that they would directly interact with him as regards placing the orders; delivery of the said goods and make payments in cash to him of such illicit purchases for which no invoices were issued by M/s Meet. Persons involved in selling the main raw materials such as PP Second plastic granules have also stated that they would personally deliver their goods at the premise of M/s Meet and that Shri Rameshbhai Purshottambhai Patel would insist on payments in cash to such persons for which no invoices were issued by the said suppliers of raw materials. The statements of persons who were involved in manufacturing on job work basis on behalf of M/s Meet tell a similar tale of being paid in cash by Shri Rameshbhai Purshottambhai Patel and not keeping any records of such transactions. All these transaction were meticulously recorded and updated on a day to day basis by Shri Rameshbhai Purshottambhai Patel with the help of Shri Nitinkumar Patel and his team of men like Shri Vipul Patel, and Shri Sanjay Patel. All of them would collectively work and help Shri Rameshbhai Purshottambhai Patel in doing all the jobs based from single premises.

24. From the statements of the buyers of finished excisable goods *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, from Shri Rameshbhai Purshottambhai Patel, of M/s Meet, as discussed in Para 7.4. Supra, wherein statements of Shri Deepak Kumar Chachaldas Thalani, Proprietor, M/s. M.K. Plastics, Naroda Road, Ahmedabad ; Shri Motilal P Panjwani, Prop of M/s Heema Plastics, Shop No 19 kalupur Bridge, Ahmedabad ; Shri Mitesh Nareshbhai Datania of Visat Plastics 37-57/2/1, Bhukarani Pol, Bawano vando, Shahpur, Ahmedabad ; Shri Kalpeshbhai Babulal Patel, having godown situated at 46/6, Opp Saibaba Mandir, Nr Moti Tanki, Danapith, Surat; Shri

Rajeshbhai Kishanchand Mojwani, Proprietor of Sonal Plastics, Opp Juna kapad Bazar, Delhi Darwaja, Ahmedabad ; Shri Ashokbhai Shitaldas Balwani, proprietor of M/s Sant Asharam Plastic Centre, Shop No C/27 – B, Opp Delhi Darwaja, Shahpur, Ahmedabad; Shri Sunderbhai H. Utwani Prop of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad ;Shri Kamleshbhai Chhatarbhuji Maheshwari, Prop of Kailash Vasan Bhandar, Nr Mahajan Hospital, Delhi Gate, Palanpur and Shri Naeem Salim Ansari, Proprietor of M/s Nafis Plastics, Rampura – Saiyedpura, Rajawadi, Surat were recorded under Section 14 of the Central Excise At, 1944, duly corroborated with the documentary evidences conclusively establish that the above mentioned persons have purchased Plastic Tubs, plastic buckets, plastic baskets all of MEET brand and also PET bottles from M/s Meet without invoices/bills and for such purchases payments were made in cash to Shri Rameshbhai Purshottambhai Patel of M/s Meet, who they knew to be manufacturer of the above goods; that they would interact with Shri Rameshbhai Purshottambhai Patel either on telephone or personal visits; that no purchase orders were placed in writing; that no sales invoices or bills were issued by M/s Meet for the sales made, nor had they asked M/s Meet or Shri Rameshbhai Purshottambhai Patel to issue any bills ; that they would either take delivery of the purchases and make own arrangements for transportation or sometimes on request Shri Rameshbhai would deliver the goods purchased; that Plastic tubs / buckets / kitchen wares purchased by them would have the words “Meet” embossed on the bottom of each bucket / tub. Thus all the above mentioned persons were responsible for purchasing excisable goods i.e. - Plastic buckets, tubs, baskets, Pet Bottles, from the factory premises of M/s Meet Ahmedabad without having proper documents, and without payment of Central Excise duty from M/s Meet as discussed herein above. They have also confirmed and categorically confessed in their statements the quantum of purchases of Plastic Tubs, Baskets, Buckets and PET bottles from Shri Rameshbhai Purshottambhai Patel of M/s Meet and accepted that they purchased plastic Buckets / tubs / plastic wares from Shri Rameshbhai Purshottambhai Patel proprietor of M/s Meet 35/6, opposite Jay Chemicals Odhav, Ahmedabad for which no bills were received, and all the amounts mentioned in the collection books and the payments were made in cash to Shri Rameshbhai Purshottambhai Patel of M/s Meet, and no receipts of such payments were received by them. Therefore, it evident that all the above mentioned persons were responsible for purchasing fully finished excisable goods i.e. - Plastic buckets, tubs, baskets, Pet Bottles, from the factory premises of M/s Meet Ahmedabad without having proper documents on which Central Excise duty has not been paid by M/s Meet, with the connivance of the aforesaid persons, M/s Meet has evaded Central Excise duty by way of suppression of production of the excisable goods and clandestinely cleared the said goods with malafide intention as discussed herein above. Thus, it appears that they were fully concerned in purchasing, transporting, receiving of excisable goods which they knew or had reasons to believe, that such goods are liable to confiscation under sub rule (1)(b) & (1)(d) of Rule 25 of the Central Excise Rules, 2002 and Rules made there under. Therefore, they are liable for penalty under the provisions of Rule 26(1) of Central Excise Rules, 2002.

25 From the statements of raw materials suppliers, as discussed in Para 7.1. Supra, wherein statements of Shri Atul Ranchodbhai Patel, Proprietor of M/s. Mahalaxmi Plastic, 3, Anand Estate, Revabhai Estate Road, CTM, Ahmedabad, supplier of Plastic scrap; Shri Maheshbhai Laxmanbhai Makhija, Proprietor of M/s. Suraj Plastic, Old Cloth Bazar, Delhi Darwaja, Ahmedabad, supplier of

Plastic scrap; Shri Mehbubhai Ismilbhai Biyawarwala, Mehbubbbhai M TV, 53, Samir Flat, 4th Floor, Opp. Municipal Kotha, Gollimda, Ahmedabad supplier of Plastic scrap; Shri Firozbbhai Yakubbbhai Hazi, 2, Kalapi Flat, Nr. Chandola Talav, Danilimda, Ahmedabad, supplier of Plastic scrap ;Shri Faruk M Tekrawala Prop of M/s Horizon Enterprise, 872/2 Bhungli ni Pol, Jamalpur, Ahmedabad, supplier of pigments and dyes ;Shri Bhikabhai P Patel, Partner of M/s Sharda Steel Industries, Plot No 304, GIDC Estate, Chhatral, Kalol, supplier of MS handles used in the Buckets and tubs and Shri Kantibhai Tulsidas Patel, 2, Dhanlaxmi estate, Kathwada Road, B/h GVMM, Odhav, Ahmedabad, supplier of plastic scrap, were recorded under Section 14 of the Central Excise At, 1944, duly corroborated with the documentary evidences conclusively establish that the above mentioned persons have sold inputs like plastic granules, waste plastic scrap, Bucket Handles, Colours / pigments etc to Shri Rameshbhai Purshottambhai Patel of M/s Meet with whom they would interact either on telephone or personal visits; that no purchase orders were placed in writing; and on the express instructions of Shri Rameshbhai Purshottambhai Patel no sales invoices or bills were issued to M/s Meet for the sales made; that on request Shri Rameshbhai they delivered the goods at the premises of M/s Meet. The transactions about receipt of raw material and particulars of the payment made by M/s Meet available in the said seized two collection books indicated that M/s Meet had purchased raw materials such as plastic scrap, waste colours/ pigments and M.S. handles etc., from the aforesaid suppliers and payments towards the such purchase had been made in cash. The said cash payments were made by Shri Rameshbhai Purshottambhai Patel of M/s Meet. Sale of plastic scrap, waste colours/ pigments and M.S. handles etc were made by the supplier without issuing and preparing of any invoice and they have not kept details of such sale in their books of Accounts, as no records were maintained by them. Nor any written purchase order for raw material purchase was placed by Shri Rameshbhai Purshottambhai Patel or Shri Nitin Patel of M/s Meet. Therefore, it evident that all the above mentioned persons were responsible for helping, aiding and abetting Shri Rameshbhai Purshottambhai Patel of M/s Meet Plast to illicitly manufacture the excisable goods i.e. - Plastic buckets, tubs, baskets, Pet Bottles, and remove them clandestinely on which Central Excise duty has not been paid by M/s Meet, with the connivance of the aforesaid persons, M/s Meet has evaded Central Excise duty by way of suppression of production of the excisable goods and clandestinely cleared the said goods with malafide intention as discussed herein above. Thus, it appears that they were fully concerned in supplying, transporting, and removing of the mentioned inputs which they knew or had reasons to believe, that such raw materials was utilized for unreported manufacture of excisable goods, which are liable to confiscation under sub rule (1) (b) & (1) (d) of Rule 25 of the Central Excise Rules, 2002 and Rules made there under. Therefore, the aforesaid suppliers of the raw materials are liable for penalty under the provisions of Rule 26(1) of Central Excise Rules, 2002.

26 From the statements of the Job workers, as discussed in Para 7.2. Supra, wherein statements of Shri Jayantibhai Karshanbhai Radadiya, Proprietor of M/s. Bansidhar Plastic, Rabari Colony, Odhav, Ahmedabad; Shri Bhikhabhai Mathurbhai Patel, Partner of M/s. Dev Plastic, 6112, Chirag Estate, Revabhai Estate Road, Rabari Colony, Ahmedabad; Shri Nileshbhai B Patel, Partner of M/s. Gopinath Plastic Packaging, C-1/282, Phase-I, GIDC, Naroda, Ahmedabad and Shri Manish Amrutbhai Patel Authorized Signatory M/s. Jay Plastics Packaging, 1012/A, GIDC, Phase-IV, GIDC,

Naroda, Ahmedabad were recorded under Section 14 of the Central Excise At, 1944, duly corroborated with the documentary evidences conclusively establish that the above mentioned persons have undertaken manufacture MEET brand Plastic Tubs, plastic buckets, plastic baskets and PET bottles on behalf of M/s Meet as well as they have undertaken job work process for conversion of plastic scrap into plastic granules, and removed the same to M/s Meet without any documents and payments towards job work had been received by them in cash from Shri Rameshbhai Purshottambhai Patel of M/s Meet Plast, Ahmedabad. The transactions about receipt of raw material and particulars of the payment made by M/s Meet available in the said seized two collection books indicated name of said job workers, details of plastic waste & scrap receipt from Shri Rameshbhai of M/s Meet and cash payments for job work process, which were received by the said job workers from Shri Rameshbhai of M/s Meet as well as details of different sources of plastic waste scrap such as hawkers, scrap suppliers etc., from which Shri Rameshbhai of M/s Meet Plast have procured plastic waste & scrap. The aforesaid job-workers have categorically confirmed that they have received the raw materials from Shri Rameshbhai of M/s Meet, without any support of bills/challans and they have delivered fully finished goods, Plastic granules or lids/ containers, after carried out necessary job work process Shri Rameshbhai of M/s Meet, without issuing any documents /bills and payments for such activities were received by them in cash from Shri Rameshbhai of M/s Meet. Therefore, it is evident that all the above mentioned persons were responsible for helping, aiding and abetting Shri Rameshbhai Purshottambhai Patel of M/s Meet to illicitly manufacture the excisable goods i.e. - Plastic buckets, tubs, baskets, Pet Bottles, and remove them clandestinely on which Central Excise duty has not been paid by M/s Meet, with the connivance of the aforesaid persons, M/s Meet has evaded Central Excise duty by way of suppression of production of the excisable goods and clandestinely cleared the said goods with malafide intention as discussed herein above. Thus, it appears that they were fully concerned in supplying, transporting, and removing of the above mentioned finished/ semi finished goods which they knew or had reasons to believe, that such finished/ semi finished goods may utilize for unreported manufacture of excisable goods, which are liable to confiscation under sub rule (1) (b) & (1) (d) of Rule 25 of the Central Excise Rules, 2002 and Rules made there under. Therefore, the aforesaid suppliers of the raw materials are liable for penalty under the provisions of Rule 26(1) of Central Excise Rules, 2002.

27 From the statements of the persons who undertook manufacture / job work of plastic buckets, tubs, Pet bottles etc., promoted by and directly under the control of Shri Rameshbhai Purshottambhai Patel of Meet Plast, as discussed in Para 7.3. Supra, wherein statements of Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad; Shri Jitendra A Patel, the person who manufactured PET bottles based at 36 GIDC Estate, Opp Jay Chemicals Odhav and Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad were recorded under Section 14 of the Central Excise At, 1944, duly corroborated with the documentary evidences conclusively establish that the above mentioned persons have undertaken manufacture/job work of *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.* The above mentioned persons have been promoted and directly under the control of Shri Rameshbhai Purshottambhai Patel of M/s Meet; that PET bottles were also manufactured in the premises of M/s Margi Polymers, M/s Dharti Polyplast, adjoining the premises of M/s Meet. These

PET bottles bear brand name "MEET". Shri Rameshbhai Purshottambhai Patel had supplied the dies/mould free of cost for embossing the brand name "MEET" and the raw materials such as plastic granules and handles were also supplied by Shri Rameshbhai Purshottambhai Patel to the above mentioned persons/units. Shri Rameshbhai Purshottambhai Patel managed the complete affairs of the aforeM/s Meets and he had full influence over the M/s Meets and these units were following absolute directions of Shri Rameshbhai Purshottambhai Patel of M/s Meet. The finished goods were removed without support of any documents and cash payments were received by them, which was paid by Shri Rameshbhai Purshottambhai Patel, for expenses like job charges, labour, electricity etc. Shri Rameshbhai Purshottambhai Patel had purchased a PET blowing machine and given to Shri Jitendra Patel to operate and manufacture PET bottles; that the PET bottles so manufactured at his premises, out of the raw materials which had been supplied by Shri Rameshbhai Purshottambhai Patel, were cleared to M/s Meet without support of invoices. The transactions regarding the sales and removals of PET bottles were maintained under a fictitious name M/s Meet Polymers. M/s Dharti Polyplast received plastic waste from Shri Ramesh Patel of M/s Meet for conversion into plastic granules for which the expenses of job, labour, electricity charges were borne by Shri Ramesh Patel of M/s Meet. M/s Dharti Polyplast had removed plastics granules to M/s Meet without support of any documents. Therefore, it evident that all the above mentioned persons were responsible for helping, aiding and abetting Shri Rameshbhai Purshottambhai Patel of M/s Meet to illicitly manufacture the excisable goods i.e. - Plastic buckets, tubs, baskets, Pet Bottles, and remove them clandestinely without any support of proper Central Excise invoice/documents on which Central Excise duty has not been paid by M/s Meet, with the connivance of the aforesaid persons, M/s Meet has evaded Central Excise duty by way of suppression of production of the excisable goods and clandestinely cleared the said goods with malafide intention as discussed herein above. Thus, it appears that they were fully concerned in supplying, transporting, and removing of the above mentioned finished/ semi finished goods which they knew or had reasons to believe, that such finished/ semi finished goods may utilize for unreported manufacture of excisable goods, which are liable to confiscation under sub rule (1) (b) & (1) (d) of Rule 25 of the Central Excise Rules, 2002 and Rules made there under. Therefore, the aforesaid suppliers of the raw materials are liable for penalty under the provisions of Rule 26(1) of Central Excise Rules, 2002.

28. Based on documentary evidences collected during the course of investigation and depositions of the concerned persons, as discussed herein above a work sheet for calculation Central Excise duty evaded by Shri Rameshbhai Purshottambhai Patel of M/s Meet has been prepared and marked as Annexure B to this notice. The said Annexure B to this notice shows that during the period 2009-10 M/s Meet had cleared fully finished excisable goods worth of Rs.46,23,286/- on the strength of sales invoices/ bills. During the same period i.e. 2009-10, they had cleared fully finished excisable goods worth of Rs. 4,79,19,331/- without issuing sales bills or invoices. As such total clearances of the fully finished goods during the Financial Year-2009-10 comes to Rs. 5,25,42,617/-. After considering benefit of SSI exemption of Rs 150 lakhs, the dutiable clearance for the Financial Year-2009-10 works out to Rs. 3,75,42,617/, accordingly duty involved on the said clearances comes to Rs. 31,40,044/-. Likewise for the year 2010-11 (upto September 29th) M/s Meet had cleared finished goods worth Rs.15,48,056/- on the strength of sales invoices/bills. During the same period

i.e.2010-11, they had cleared fully finished excisable goods worth **Rs.4,33,47,619/-** without issuing sales bills or invoices. As such total clearance value of their fully finished goods during the Financial year 2010-141 comes to **Rs.4,48,95,675/-**. As the total clearance value for the previous year i.e.2009-10, has crossed Rs.400 lakhs, the unit cannot avail the SSI exemption benefit of Rs.1,50,00,000/- and hence, the total dutiable clearance for the Financial year 2010-11 works out to **Rs.4,48,95,675/-**, accordingly the duty involved on the said clearance is **Rs.44,89,568/-**. Therefore, the total dutiable clearance of fully finished excisable goods for the period April 2009 up to Sept 29th 2010, comes to **Rs.8,24,38,292/-**, on which applicable Central Excise duty ought to have been paid but not Central Excise duty has been paid by Shri Rameshbhai Purshottambhai Patel of M/s Meet. At the prescribed rate of Central Excise duty on the said clearance i.e. **Rs.8,24,38,292/-** accordingly total evaded duty for the period April 2009 up to Sept 29th 2010, **works out to Rs 78,58,499/-(Rupees Seventy Eight Lakhs Fifty Eight Thousand and Four Hundred Ninety-nine only** (Basic Central Excise duty – **Rs 76,29,611/-** + Education Cess @ 2 % comes to **Rs 1,52,592/-** + Secondary & Higher Secondary Education Cess @ 1 % comes to **Rs 76,296/-**). The said facts have specifically been admitted by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet in his statement dated 22/06/12, wherein he has accepted that they have made illicit clearances of the excisable goods (without issuing any invoices/sales bills) amounting to Rs 4,79,19,332/- and Rs 4,33,47,619/- during the period 2009-10 and April 2010 to 29/09/10, respectively and accordingly accepted Central Excise duty liability to the tune of **Rs.78,58,499/-** on the total illicit clearances of **Rs 8,24,38,292/-** after availing the SSI benefit. Against the said duty liability, during the investigation Shri Ramesh Purshottambhai Patel Proprietor of Meet Plast, has made payments of **Rs 25,03,000/-**.

29 From the facts narrated above, it appears that M/s Meet a proprietary unit based at Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad, owned by Shri Rameshbhai Purshottambhai Patel, has willfully suppressed their production and cleared illicitly their products i.e. Plastic Buckets, Kitchen Wares, Plastic Tubs, Baskets and Pet bottles, falling under Ch. Head No. 39 of the Central Excise Tariff Act,1985, valued at **Rs.3,75,42,617/-** in excess of SSI limit of **Rs.1,50,00,000/-** during the year 2009-10 and cleared finished goods valued at **Rs.4,48,95,675/-** during the year 2010-11(up to 29-9-2010), which is dutiable from the first clearance, without preparing proper Central Excise invoices, without payment of Central Excise duty and without following proper Central Excise procedures, with an intent to evade payment of Central Excise duty. The Central Excise duty on such clearances works out to **Rs.8,24,38,292/-** for the period from April, 2009 to 29th Sept, 2010, which is detailed as per Annexure 'B' to this notice. It thus appears that they had not paid the Central Excise duty by reason of fraud, willful misstatement and suppression of facts and accordingly extended period as provided under proviso to Section 11A of Central Excise Act, 1944, is applicable to present case. All these acts of contravention on the part of M/s Meet appear to have been committed with willful intent to evade payment of Central Excise duty, and therefore the said duty not paid is required to be demanded and recovered from them under the proviso to Section 11A of the Central Excise Act, 1944 by invoking extended period of limitation of five years along with interest under the provisions of Section 11AB of the Central Excise Act, 1944. All these acts of contravention appear to constitute offences of the nature and type as described in clauses (a), (b) & (d) of Rule 25 of Central Excise Rules, 2002, read with Section 11AC of Central Excise Act, 1944. Therefore M/s. Meet Plast., have rendered themselves liable for penalty under Section 11AC of Central Excise Act, 1944, read

with Rule 25 of Central Excise Rules, 2002. Shri Rameshbhai Purshottambhai Patel proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad, is therefore liable to pay central excise duty on the above said clearances, by invoking the extended period under the proviso to Section 11A (1) now Section 11A (4) *ibid*, on account of willful suppression of facts, with a positive intent to evade the Central Excise duties as mentioned above.

30 Whereas, it appears from the above facts as discussed in the foregoing paras, Shri Ramesh Purshottambhai Patel, proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad has failed to determine and discharge the correct Central Excise Duty on the excisable goods cleared illicitly and has therefore contravened the provisions of:

- i. Rule 4 of Central Excise Rules, 2002 in as much as they have failed to pay the Central Excise duty on the above mentioned finished goods;
- ii. Rule 5 of Central Excise Rules, 2002 in as much as they have failed to determine the duty on date of clearance of the excisable goods manufactured and cleared;
- iii. Rule 6 of Central Excise Rules, 2002 in as much as they have failed to determine the duty liability and assess the duty on the said excisable goods manufactured and cleared;
- iv. Rule 8 of Central Excise Rules, 2002 in as much as they had failed to pay the appropriate Central Excise Duty on the goods;
- v. Rule 9 of the Central Excise Rules 2002 read with section 6 of the Central Excise Act, 1944 read with in as much as they failed to get themselves registered with the Central Excise department;
- vi. Rule 10 of the Central Excise Rules 2002 in as much as no proper account of finished goods, manufactured and cleared was maintained on daily basis;
- vii. Rule 11 of Central Excise Rules, 2002 in as much as they failed to clear the finished goods without issuing proper Central Excise Invoices from their factory;
- viii. Rule 12 of the Central Excise Rules, 2002 in as much as they failed to submit the prescribed returns.

31 All these acts of contravention on the part of M/s Meet appear to have been committed with an intention to evade payment of duty, by willfully suppressing the facts and mis-statement, with an intent to evade payment of Central Excise duty, and therefore, the said duty which was due, but not paid by them is required to be demanded and recovered from them under the proviso to Section 11 A(1) (now Section 11A (4) of Central Excise Act, 1944 invoking the extended period of 5 years on account of willful contravention of various provisions as discussed hereinabove and willful suppression of facts with an intention to evade payment of Central Excise duty. All these acts of contravention appear to constitute an offence of the nature and type as described in clauses (a), (b) (c), & (d) of Rule 25 of Central Excise Rules 2002, read with Section 38A of Central Excise Act, 1944. Penalty is also required to be imposed as applicable under Rule 25 of the Central Excise Rules, 2002 read with Section 11 AC of Central Excise Act, 1944. M/s Meet is also liable to pay interest on

the delayed payment of central excise duty under the provision of section 11 AB of Central Excise Act 1944.

32 It appears that Shri Ramesh Purshottambhai Patel, proprietor of M/s Meet was fully concerned in the transporting, removing, depositing, keeping, selling or purchasing etc., the excisable goods which he knew or had reasons to believe that the same were liable for confiscation under the said Act or the rules framed thereunder. These acts on the part of him have rendered him liable for personal penalty under Rule 26 of the C. Ex. Rules, 2002.

33 Shri Nitinkumar Nathalal Patel, accountant of M/s Meet was aiding and abetting Shri Rameshbhai Purshottambhai Patel and also fully concerned in the transporting, removing, depositing, keeping, selling or purchasing, accounting for etc the excisable goods which he knew or had reasons to believe that the same were liable for confiscation under the said Act or the rules framed thereunder. These acts on the part of him have rendered him liable for personal penalty under Rule 26 of the C. Ex. Rules, 2002.

34. In view of the above, Shri Ramesh Purshottambhai Patel proprietor of M/s Meet Plast, Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad, was issued Show Cause Notice F.No. V.39/15-69/OA/2012 dated 24.3.2014 asking them to show cause to the Commissioner Central Excise, Ahmedabad-II having his office situated at First floor "Custom House", Nr All India Radio, Ahmedabad as to why :-

- i. Central Excise duty of **Rs. 78,58,499/-** (Rupees Seventy Eight Lakhs Fifty Eight Thousand and Four Hundred Ninety-nine only (Basic Central Excise duty – Rs. 76,29,611/- + Education Cess @ 2 % comes to Rs 1,52,592/- + Secondary & Higher Secondary Education Cess @ 1 % comes to Rs 76,296/-), involved in illicit production and clearance of Plastic Buckets, Kitchen Wares, Plastic Tubs, Baskets and Pet bottles falling under Chap 39, of the CETA 1965, valued at Rs 8,24,38,292/- should not be demanded/recovered under the proviso to Section 11A(1) now Section 11 A (4) of the Central Excise Act, 1944. Since an amount of Rs.25,03,000/- has already paid by M/s Meet during the investigation, why the same should not be appropriated against the duty demanded;
- ii. Interest at the prescribed rate should not be recovered from them under Section 11AB / 11 AA of Central Excise Act, 1944 for illicit clearance of Plastic Buckets, Kitchen Wares, Plastic Tubs, Baskets and Pet bottles;
- iii. Penalty in terms of the provisions of Section 11AC of Central Excise Act, 1944, read with Rule 25 of the Central Excise Rules, 2002 should not be imposed on him.

35 Shri Nitinkumar Nathalal Patel, Accountant of M/s Meet is also required to show cause before the Commissioner, Central Excise, Ahmedabad-II having his office at First floor, "Customs House", Income Tax cross roads, Ashram Road, Ahmedabad, as to why penalty should not be imposed on him under Rule 26(1) of Central Excise Rules, 2002 for the offence (s) as discussed hereinabove.

36. Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers, 36/7, Opp Jay Chemicals, GIDC, Odhav, Ahmedabad; Shri Jitendra A Patel, 36 GIDC Estate, Opp Jay Chemicals Odhav and Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad, are also required to show cause before the Commissioner, Central Excise, Ahmedabad-II, having his office at First floor, "Customs House", Income Tax cross roads, Ashram Road, Ahmedabad, as to why penalty should not be imposed upon them under Rule 26(1) of Central Excise Rules, 2002 for the offence (s) mentioned above.

DEFENCE REPLY FILED BY M/S MEET:

37. No defence reply has been filed by M/s Meet till date.

37.1 The Show cause notice pertaining to the present case was issued by Commissioner of Central Excise, Ahmedabad-II Commissionerate. However, consequent upon re-organisation of Central Excise Commissionerate vide GIMF (DR), New Delhi's Notification No. 27/2014 - Central Excise (N.T) dated 16.9.2014 specifying the jurisdiction of Central Excise Zone and Commissionerates of Central Excise, the Chief Commissioner, Central Excise, Ahmedabad Zone accorded approval to re-organisation of Central Excise Divisions / Ranges/ Out Sectors within the jurisdiction of Central Excise Commissioner, Ahmedabad. As per the approval accorded, erstwhile Division III of Central Excise, Ahmedabad II Commissionerate now falls within the jurisdiction of newly formed Division V of Central Excise, Ahmedabad I Commissionerate as per the Trade Notice No 4/2014 dated 08.10.2014..

In view of the above the case file was transferred to Central Excise Commissionerate, Ahmedabad I. Accordingly this case has now been taken up for adjudication by the undersigned. Personal hearings were granted to various persons involved with this case on 01.10.2015, 05.10.2015 and 06.10.2015.

SUBMISSIONS DURING THE COURSE OF PERSONAL HEARING:

38. Personal hearings were granted to many people whose statements were recorded during the course of investigation of the case. The sole purpose of granting them personal hearing was to find out whether they were actively involved in the business of M/s Meet and were instrumental in helping Shri Ramesh Purshotambhai Patel for evasion of central excise duty. The various submissions made during the course of personal hearings are tabulated herein below:

Date of Personal Hearing	Name of the person and his nature of work	Submission made during the course of personal hearing
1.10.2015	Shri Ramesh Purshottambhai Patel, Proprietor, M/s Meet	He confessed to evasion of central excise duty and mentioned that Rs. 52 lakhs approx was already paid by him towards evasion of duty. He confirmed that the remaining amount of duty would be paid as and when he earned.

5.10.2015	Shri Mitesh Nareshbhai Datania, Proprietor of Visat Plastics	He confirmed his statement recorded on 29.2.2012 . He also confirmed that he used to purchase goods from M/s Meet and used to pay for the same in cash.
5.10.2015	Shri Sundarbhai H Utwani, Proprietor of Sundar Trunk Mart.	He confirmed his statement recorded on 2.3.2012 . He also confirmed that he used to purchase goods from M/s Meet and used to pay for the same in cash.
5.10.2015	Shri Rajeshbhai K Mojwani, Proprietor of Sonal Plastics	He confirmed his statement recorded on 2.3.2012 . He also confirmed that he used to purchase goods from M/s Meet and used to pay for the same in cash and was not getting any receipt for that
6.10.2015	Shri Bhikhabhai M Patel, Partner of Dev Plastics	He confirmed his statement recorded on 23.6.2011 . He also confirmed that he has never received any documents from M/s Meet and that the payment for jobwork was received in cash.
7.10.2015	Shri Naeem Salim Ansari, Proprietor of Nafiz Plastics	He confirmed his statement recorded on 6.3.2012 . He also confirmed that he used to buy goods from M/s Meet and used to pay for the same in cash and was not getting any receipt for that

DISCUSSION AND FINDINGS:

40. I have carefully gone through the records of the case, the records/documents available on file and the submissions made during the course of personal hearings.

41. I find that on the basis of an intelligence, Truck No.GJ-18-AT 8371 loaded with with "Plastic Buckets", "Plastic Tubs" and "Kitchen wares" total 465 in numbers & valued at Rs. 1,85,124/- was intercepted under panchnama dated 29/09/2010, by the officers of Central Excise (Preventive), Ahmedabad-II (erstwhile). The said truck was found to carry the goods manufactured by M/s Meet which were cleared from their factory premises under a delivery challan No. 368 dated 29.9.2010. Since, Invoice for the said goods was not available with the consignment, a search was carried out at factory premises of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad, under the panchnama proceedings in presence of Shri Rameshbhai Purshottambhai Patel, Proprietor of the M/s Meet.

41.1 During the course of search it was found that the records pertaining to M/s Meet were kept in the nearby shed No- 36-7 belonging to M/s Margi Polymers. It was also revealed that prior to 31/03/10 M/s Meet had its office and factory located at shed No- 36-7 . Thus, search of shed No. 36-7

was also carried out. During the course of search at shed no 36-7 it was revealed that the same was used for storing the documents , raw material and finished goods of M/s. Meet. It was also revealed that M/s Meet were using the adjoining premises i.e 36-3 & 36 for storing finished goods and raw materials.

42 The officers physically verified the stock of finished goods and the raw materials in all the sheds mentioned above. During the course of search some records including 2 Collection books for the year 2009-10 and 2010-11 were withdrawn for further investigations.

42.1 A work-sheet which was prepared on the basis of details appearing in the collection books revealed that M/s Meet had crossed the turnover limit of Rs. 4 Crore during the years 2009-10 and 2010-11 but had not got themselves registered with Central Excise. It was therefore apparent that the goods cleared under Challan No. 368 dated. 29.09.2010 were illicitly removed, without preparing Central Excise Invoice, and with intent to evade Central Excise duty, and accordingly, the said goods *i.e. 465 Nos. of plastic buckets, tubs and baskets valued at Rs. 1,85,124/-* were placed under seizure along with aforesaid truck valued at Approx Rs 3.00 lakhs, under Panchnama dated 29 & 30.09.2010 drawn at the factory premises of M/s Meet under reasonable belief that same are liable for confiscation.

42.2 Subsequently, a show cause notice for seizure portion was issued by the Assistant Commissioner, Central Excise Division-III, Ahmedabad-II from F No V.39/15-10/Meet-Plast/Offence/10-11 on 18/03/11. The said show cause notice has since been adjudicated vide Order No MP/12/Offence/11-12 dated 08/07/11 by the Assistant Commissioner, Central Excise Division-III, Ahmedabad-II. The Assistant Commissioner has vide the said OIO ordered confiscation of the goods and the vehicle seized. Since the same were provisionally released, a redemption fine of Rs.50,000/- on the goods, and Rs.30,000/- was imposed on M/s Meet. An amount of Rs.19068/- was also confirmed along with interest and equal penalty under Section 11AC of the Central Excise Act 1944. Personal penalty of Rs.10,000/- was imposed on Shri Rameshbhai Purshottambhai Patel, Rs 5000/- on Shri Akrambhai Kerosinewala, owner of the truck and Rs 5000/- on Shri Nilesh Basantbhai owner of Momai Roadways.

43. The case on hand pertains to the adjudication of the Show Cause Notice which was issued to M/s Meet after completion of investigation for demand of Central Excise duty amounting to **Rs. 78,58,499/-** (Rupees Seventy Eight Lakhs Fifty Eight Thousand and Four Hundred Ninety-nine only (Basic Central Excise duty – Rs. 76,29,611/- + Education Cess @ 2 % comes to Rs 1,52,592/- + Secondary & Higher Secondary Education Cess @ 1 % comes to Rs 76,296/-) on Plastic Buckets, Kitchen Wares, Plastic Tubes, Baskets and Pet bottles falling under Chap 39, of the CETA 1965 valued at Rs 8,24,38,292/-, which were manufactured and cleared illicitly by M/s Meet. Thus the basic issue to be decided in the present case is whether M/s Meet have evaded payment of central excise duty by suppressing their production and illicitly clearing the finished goods without following proper Central Excise procedures.

44. On going through the SCN, I find that the entire case of clandestine clearance of excisable goods has been unearthed from the details appearing in the Collection book-1 (for the year 2009-10 & collection book-2 (for the year 2010-11) and other documents which were withdrawn under the panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad. The outcome of scrutiny of the documents are discussed herein below:

44.1 COLLECTION BOOK-1 (FOR THE YEAR 2009-10 & COLLECTION BOOK-2 (FOR THE YEAR 2010-11)

The entries for the years 2009-10 & 2010-11 in the collection books were made by Shri Nitinkumar Nathalal Patel Accountant on the directions of Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet. The entries in the said collection books were made up to 28/09/10. This fact has been confirmed by both Shri Nitinkumar Nathalal Patel Accountant, Shri Rameshbhai Purshottambhai Patel in their respective statement recorded by the Preventive Officer.

It has been revealed during the course of investigation that the said two collection books provided insight to the actual business activities of M/s Meet. The books provided each and every detail with regard to purchases and its payments made, the value of sales effected in cash, details of conversion (job work) of waste plastic scrap into granules etc, payments made to transporters, misc expenses, wages paid etc. alongwith the Names, addresses, phone numbers and date of the transaction, amount involved and the balances.

During the course of investigation, the details appearing in various pages of the said collection books were got verified at the raw material supplier's end, job workers end and buyer's end. The outcome of verification conducted is summarized herein below:

a. VERIFICATION OF THE DETAILS AT THE RAW MATERIAL SUPPLIER'S END:

Sr.No.	Page Nos. of collection book (2009-10)	Page Nos. of collection book (2010-11)	Details Appearing in the said pages
1.	01 to 15	01 to 05	The pages contained details of daily sales / purchase figures ("Kharid / Vechan") for the year. These pages included all the details as mentioned in the accounts of persons appearing in the collection books. Eventhough, in cases where the Delivery challans did not show any amount and which were not entered in the respective ledger account, the same were however added in the final daily total of the sales appearing in said pages. Thus, the sum total of the Credit side (Vechan) of the collection books appearing at pages - 01 to 15 & 01 to 05 in the said collection books, would be the correct amount of the sales effected by the M/s Meet.
2.	38	43	The pages showed the title as 'Mahalaxmi Plastics, Ahmedabad' and contained the details of cash payments received by Shri Atul Ranchodhbhai Patel, Proprietor of M/s. Mahalaxmi Plastic, 3, Anand

			Estate, Revabhai Estate Road, CTM, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to plastic scrap sold by M/s. Mahalaxmi Plastic to M/s Meet. M/s Meet. As per the details appearing in the said pages; a payment of Rs.1212500/- and Rs.510000 was made by Shri Rameshbhai Purshottambhai Patel towards the purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.
3	181	193	The pages showed the title as 'Maheshbhai Ahmedabad' and contained the details of cash payments received by Shri Maheshbhai Makhija, Proprietor of M/s. Suraj Plastic, Old Cloth Bazar, Delhi Darwaja, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to plastic scrap sold by M/s. Mahalaxmi Plastic to M/s Meet. As per the details appearing in the said pages, a payment of Rs.74,37,087/- and Rs.26,90,273/- was made by Shri Rameshbhai Purshottambhai Patel towards the purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.
4	61 to 64	81-82	The pages showed the title as 'Mehbubbhai MTV" and "Mehbubbhai Ahmedabad' and contained the details of cash payments received by Mehbubbhai Ismilbhai Biyawarewala, Mehbubbhai M TV, 53, Samir Flat, 4 th Floor, Opp. Municipal Kotha, Gollimda, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to plastic scrap sold by Shri Mehbubbhai Ismilbhai Biyawarewala, Mehbubbhai M TV to M/s Meet. As per the details appearing in the said pages, a payment of Rs.1,02,78,000/- and Rs.76,57,000/- was made by Shri Rameshbhai Purshottambhai Patel towards the purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.
5	51-55	71-72	The pages showed the title as 'Firozbhai Ahmedabad' and contained the details of cash payments received by Shri Firozbhai Yakubbhai Hazi, 2, Kalapi Flat, Nr. Chandola Talav, Danilimda, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to plastic scrap sold by Firozbhai Yakubbhai Hazi to M/s Meet. As per the details appearing in the said pages, a payment of Rs.1,13,13,800/- and Rs.94,54,000/- was made by Shri Rameshbhai Purshottambhai Patel towards the purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.
6	107-109	207	The pages showed the title as 'Farukbhai Colour Ahmedabad' and contained the details of cash payments received by Shri Faruk M Tekrawala Prop of M/s Horizon Enterprise, 872/2 Bhungli ni Pol, Jamalpur, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to sweeping dyes / pigments sold by M/s Horizon Enterprise to M/s Meet. As per the details appearing in the said pages, a payment of of Rs.608500/- and Rs.290000/- was made by Shri Rameshbhai Purshottambhai Patel towards the

			purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.
7	85-88	165-167	The pages showed the title as 'Sharda Steel Chhatral' and contained the details of cash payments received by Shri Bhikabhai P Patel, Partner of M/s Sharda Steel Industries, Plot No 304, GIDC Estate, Chhatral, Kalol from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to MS handles sold by M/s Sharda Steel Industries to M/s Meet. As per the details appearing in the said pages, a payment of of Rs 1010346/- and Rs. 404075/- was made by Shri Rameshbhai Purshottambhai Patel towards the purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.
8	49-50	65	The pages showed the title as 'Kirtibhai Rafia – Kantibhai Ahmedabad' and contained the details of cash payments received by Shri Kantibhai Tulsidas Patel, 2, Dhanlaxmi estate, Kathwada Road, B/h GVMM, Odhav, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to Plastic scrap commonly known as "Rafia" sold by Shri Kantibhai Tulsidas Patel to M/s Meet. As per the details appearing in the said pages, a payment of of Rs.1044842/- and Rs.123000/- was made by Shri Rameshbhai Purshottambhai Patel towards the purchase of Plastic scrap made by M/s Meet during the year 2009-10 and during the year 2010-11.

Conclusion: The above details have been confirmed by the respective persons in their statements recorded under Section 14 of the Central Excise Act, 1944. It is thus evident, that M/s Meet had purchased raw materials such as plastic scrap, waste colours/ pigments and M.S. handles etc., from the aforesaid suppliers in cash. The raw material suppliers have in their statement confirmed the fact that all such sales were affected without issuing and preparing of any invoice and no details of such sale was ever recorded in books of Accounts. The raw material suppliers have also confirmed to the fact that they have never received any written purchase order for raw material purchase from Shri Rameshbhai Purshottambhai Patel or Shri Nitin Patel of M/s Meet.

b. VERIFICATION FROM THE PERSONS WHO CARRIED OUT JOB WORK ON BEHALF OF M/S MEET:

Sr.No.	Page Nos. of collection book (2009-10)	Page Nos. of collection book (2010-11)	Details Appearing in the said pages
1.	159-160	149	The pages showed the title as 'Bansidhar Plastics, Ahmedabad' and contained the details of cash payments received by Shri Jayantibhai Karshanbhai Radadiya, Proprietor of M/s. Bansidhar Plastic, Rabari Colony, Odhav, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to job work done by M/s. Bansidhar Plastic for M/s Meet. For manufacture of finished goods like Plastic tubs buckets etc As per the details appearing in the said pages, a payment of Rs.10,90,375/- and Rs.9,07,175/- was made by Shri Rameshbhai Purshottambhai Patel towards the job work done by M/s Bansidhar Plastic for M/s Meet during the year 2009-10 and during the year 2010-11.

2.	141	151	The pages showed the title as 'Tarun Chirag, Ahmedabad' and contained the details of cash payments received by Shri Bhikhabhai Mathurbhai Patel, Partner of M/s. Dev Plastic, 6112, Chirag Estate, Revabhai Estate Road, Rabari Colony, Ahmedabad from Shri Rameshbhai Purshottambhai Patel. The said cash payment pertained to job work done by M/s. Bansidhar Plastic for M/s Meet for manufacture of Lids of Containers . As per the details appearing in the said pages, a payment of Rs.6,10,000/- and Rs.1,78,855/-was made by Shri Rameshbhai Purshottambhai Patel towards the job work done by M/s. Dev Plastic for M/s Meet during the year 2009-10 and during the year 2010-11.
3	..	72	The pages showed the details of payment made by Shri Ramesh Patel to Shri Nileshbhai B Patel, Partner of M/s. Gopinath Plastic Packaging, C-1/282, Phase-I, GIDC, Naroda, Ahmedabad for conversion of granules (of plastic) and Master batch to "PET BOTTLES" of different sizes. As per the details appearing in the said page , a payment of Rs.4,34,700/- was made by Shri Rameshbhai Purshottambhai Patel towards the job work done by M/s. Gopinath Plastic Packaging for M/s Meet during the year 2009-10 and during the year 2010-11.

Conclusion: The above details have been confirmed by the respective persons in their statements recorded under Section 14 of the Central Excise Act, 1944. It is thus evident, that M/s Meet had got the job work done by getting Plastic tubs buckets, Lids of Containers manufactured on job work basis. They had also sent granules (of plastic) and Master batch for conversion of the same to "PET BOTTLES" of different sizes. Such transactions were done by M/s Meet without preparing licit documents and without recording the same in the books of account. To make the matters simple and untraceable the payments thereof were also made in Cash by Shri Rameshbhai Purshottambhai Patel.

c. VERIFICATION FROM THE PERSON FOR WHOM M/S MEET CARRIED OUT JOB WORK:

Sr.No.	Page Nos. of collection book (2009-10)	Page Nos. of collection book (2010-11)	Details Appearing in the said pages
1.	95 / 96	185 to 187	The pages showed the title as 'Jay Plastics (Container) Ahmedabad' and contained the details pertaining to transactions of his firm; that details like the value & quantity of the handles, the value and quantity of PPCP granules on the dates as mentioned on the Debit side of the books and the payments made to M/s Meet mostly by cheques. Shri Manish Amrutbhai Patel has in his statement confirmed that <ul style="list-style-type: none"> - he had sent PPCP granules to M/s Meet for conversion into 10 l containers with lid along with delivery challans. - After having received the containers from Meet Plast which were accompanied with delivery challans and labour/job work bills he had got them screen printed on the screen printing machineries installed in his factory premises;

			<ul style="list-style-type: none"> - he had given the "die" – pattern of his firm - M/s Jay Plastic Packaging to Meet Plast and all the containers and the lids received would be embossed with the words – "Jay Plastic Packaging 10 l - he had made payment in CASH to Rameshbhai as appearing in the said collection books
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Conclusion: It is thus evident that in some cases M/s Meet was receiving the payment on account of manufacturing of containers "Jay Plastic Packaging 10 l" in cash.

d. VERIFICATION FROM PERSONS WHO UNDERTOOK MANUFACTURE / JOB WORK OF PLASTIC BUCKETS, TUBS, PET BOTTLES ETC., PROMOTED BY AND DIRECTLY UNDER THE CONTROL OF SHRI RAMESHBHAI PURSHOTTAMBHAI PATEL OF MEET PLAST.

Sr.No.	Page Nos. of collection book (2009-10)	Page Nos. of collection book (2010-11)	Details Appearing in the said pages
1.	145 to 150	271 & 272	M/s Margi Polymers, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad manufactured Plastic Tubs, buckets, Baskets etc bearing the brand name "MEET". Such items were manufactured from the plastic granules and handles supplied by M/s Meet. The credit side of the account in the mentioned pages provided the value of goods (plastic granules) removed / cleared to him by Meet Plast, whereas the Debit side mentioned the payments received by him / paid by Shri Rameshbhai Purshottambhai Patel towards job charges, labour expenses, electricity expenses and salaries etc.
2.	77 & 78	133	Shri Jitendra A Patel, based at 36 GIDC Estate, Opp Jay Chemicals Odhav was engaged in manufacturing of PET bottles of sizes bottle of capacity of 100 ml, 200 ml and 500 ml on PET blowing machine provided by Shri Rameshbhai Purshottambhai Patel and for the same was being paid charges of 10, 15, and 25 paise per bottle resp. The credit side of the account in the mentioned pages stated the cash amounts received by him from Shri Rameshbhai Purshottambhai Patel of M/s Meet, whereas the Debit side mentioned the payments for expenses and purchases made by him
3	163 to 165	261	Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad has interalia stated that he was engaged in the processing of plastic granules from the plastic waste supplied to him by Shri Rameshbhai Purshottambhai Patel of M/s Meet on the machine installed in the said premises. The entries in the said pages pertained to his transactions with Shri Rameshbhai Purshottambhai Patel. The credit side of the account in the mentioned pages stated the value of goods (plastic granules) removed / cleared by him to M/s Meet, whereas the Debit side mentioned the payments received by him / paid by

			Shri Rameshbhai Purshottambhai Patel on his behalf like job charges, labour expenses, electricity expenses and salaries
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Conclusion: It is evident from the statements of the aforesaid persons recorded under Section 14 of the Central Excise Act, 1944, who undertook manufacture/job work of *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, promoted by and directly under the control of Shri Rameshbhai Purshottambhai Patel of M/s Meet, that PET bottles were also manufactured in the premises of Margi Polymers, Dharti Polyplast, adjoining the premises of M/s Meet. These PET bottles bear brand name "MEET". Shri Rameshbhai Purshottambhai Patel had supplied the dies/mould free of cost for embossing the brand name "MEET". It was revealed that the raw materials such as plastic granules and handles were also supplied by Shri Rameshbhai Purshottambhai Patel to the above mentioned units. The finished goods were removed without any support of any documents. The investigation revealed that M/s Dharti Polyplast received plastic waste from Shri Ramesh Patel of M/s Meet for conversion into plastic granules for which the expenses of job, labour, electricity charges were borne by Shri Ramesh Patel of M/s Meet.

e. INVESTIGATION FROM THE PERSONS WHO HAD PURCHASED FINISHED GOODS - PLASTIC BUCKETS, TUBS, BASKETS, PET BOTTLES ETC FROM SHRI RAMESHBHAI PURSHOTTAMBHAI PATEL OF M/S MEET.

Sr.No.	Page Nos. of collection book (2009-10)	Page Nos. of collection book (2010-11)	Details Appearing in the said pages
1.			Shri Deepak Kumar Chachaldas Thalani, Proprietor, M/s. M.K. Plastics, Naroda Road, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad since last two years and the payments for which were made in cash. As per the details appearing in the said pages, he had purchased goods worth Rs. 20,38,912/- during the year 2009-10 and Rs. 6, 86,456/- during the year 2010-11
2.	249	346	Shri Motilal P Panjwani, Prop of M/s Heema Plastics, Shop No 19 kalupur Bridge, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs. 3,84,992/- . The said goods were received by him without invoices or bills and for which he had made payments in cash
3	211/212	321	Shri Mitesh Nareshbhai Datania of Visat Plastics 37-57/2/1, Bhukarani Pol, Bawano vando, Shahpur, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said

			pages, he had purchased goods worth Rs.12,02,122/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
4.	253 to 255	351	Shri Kalpeshbhai Babulal Patel, having godown situated at 46/6, Opp Saibaba Mandir, Nr Moti Tanki, Danapith, Surat has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs. 98,96,205/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
	339 to 346	441 to 442	Shri Rajeshbhai Kishanchand Mojwani, Proprietor of Sonal Plastics, Opp Juna kapad Bazar, Delhi Darwaja, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs.47,93,922/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
	239-240	...	Shri Ashokbhai Shitaldas Balwani, proprietor of M/s Sant Asharam Plastic Centre, Shop No C/27 – B, Opp Delhi Darwaja, Shahpur, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs.722096/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
	227-228	Shri Sunderbhai H. Utwani Prop of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs. 892668/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
			Shri Sunderbhai H. Utwani Prop of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs. 892668/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
	223-224	333	Shri Kamleshbhai Chhatarbhuj Maheshwari, Prop of Kailash Vasan Bhandar, Nr Mahajan Hospital, Delhi

			Gate, Palanpur has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs. 1008107/-. The said goods were received by him without invoices or bills and for which he had made payments in cash
	263-264	371	Shri Naeem Salim Ansari, Proprietor of M/s Nafis Plastics, Rampura – Saiyedpura, Rajawadi, Surat has confirmed that he purchased Plastic wares from Shri Rameshbhai Purshottambhai Patel of M/s Meet Odhav Ahmedabad and that the subject plastic Buckets/tubes/ Plastic Kitchen wares would had the words "Meet" embossed on the bottom of each bucket/tube. As per the details appearing in the said pages, he had purchased goods worth Rs. 8503794/-. The said goods were received by him without invoices or bills and for which he had made payments in cash

Conclusion: It is evident from the above investigations that the transactions of receipts and payments made in cash and the corresponding value of sales and purchases have been entered in the said collection books. The details of the transactions entered in the said collection books indicated date wise purchases made, payments to the concerned person towards purchases/ Miscellaneous expenses including job charges. The said transactions mentioned in the collection books had not been accounted for in their books of Accounts and even were not incorporated in the VAT returns filed by M/s Meet, therefore it can conclusively be established that the transactions mentioned in the collection books are of the illicit Purchases of Raw material and Illicit sales effected by M/s Meet since no purchase invoices were received as well as no sales invoices were issued by them. The said undisputed facts, beyond any shadow of doubts, conclusively establish that M/s Meet had intentionally made arrangements for such illicit purchases of raw materials with intent to utilize the same for unreported production of the excisable goods, thus they have not only suppressed production of the excisable goods but also cleared the same illicitly to evade payment of Central Excise duty and other local taxes. M/s Meet was engaged in selling plastic Buckets/tubes/ Plastic Kitchen wares which had the words "Meet" embossed on the bottom of each bucket/tube without preparing invoices and other documents and for which they had made payments in cash and no records were maintained for such transactions.

44.1.2 Thus, the collection books provided a complete insight of the business transaction undertaken by M/s Meet with raw material suppliers, job workers, buyers etc. The details contained in the said collection books also showed the cash transaction between M/s Meet and his business aides. The investigation at the end of raw material suppliers, job workers, buyers etc. clearly brings out the fact that the entire business activity was carried out without recording the same in the statutory books of account nor and the payments thereof were also made in cash. The details of raw material suppliers, job workers, buyers etc. appearing in the said collection books have been confirmed by the respective

persons in their statement recorded under Section 14 of Central Excise Act, 1944. As on date no statement has been retracted.

44.1.3 Further, pages 01 to 15 and 01 to 05 of the collection books 09-10 and 10-11 respectively contained details of daily sales / purchase figures ("Kharid / Vechan") for the year. These pages included all the details as mentioned in the accounts of persons appearing in the collection books. Eventhough, in cases where the Delivery challans did not show any amount and which were not entered in the respective ledger account, the same were however added in the final daily total of the sales appearing in said pages. **Thus, the sum total of the Credit side (Vechan) of the collection books appearing at pages - 01 to 15 & 01 to 05 in the said collection books, would be the correct amount of the sales effected by the M/s Meet.** This fact has been confirmed by Shri Nitin Patel and Shri Rameshbhai P Patel in their statements.

44.1.4 A worksheet titled **Appendix- I** was prepared on the basis of information available in the said pages. The said Appendix- I showed details of the entries of the Credit side of the "Kharid Vechan" – (Sales & Purchase account) and details of the actual illicit sales of finished goods manufactured by M/s Meet or got manufactured on their behalf . As per the said worksheet M/s Meet had sold plastics goods such as tubs, buckets, baskets amounting Rs. 5,25,42,617/- for the period of July-2009 to March-2010 and Rs. 4,48,95,675/- for the period of April-2010 to 29.09.2010 i.e finished goods worth **Rs.8,24,38,292/- (5,25,42,617 -15000000+ 4,48,95,675/-)** were illicitly sold by M/s Meet. The said facts have been admitted by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet in his statement dated 22/06/12 wherein he has accepted that they have made illicit clearances of the excisable goods amounting to Rs 5,25,42,617/- and Rs 4,48,95,675/- during the period 2009-10 and April 2010 to 29/09/10, respectively and accordingly accepted Central Excise duty liability to the tune of Rs.78,58,499/-.

44.2 FILE APPEARING AT SL. NO. 21 TO THE PANCHNAMA CONTAINING DETAILS OF WEIGHMENT SLIPS; DELIVERY CHALLANS OF REMOVALS OF PET BOTTLES, RECEIPT OF HANDLES FOR BUCKETS:

The File appearing at Sl. No. 21 to the Panchnama dated 30.09.2010 drawn at the factory premises of M/s Meet Plast, 35/6GIDC, Opp. Jay Chemicals, Odhav, Ahmedabad, contains details of weighment slips; Delivery challans of removals of PET bottles, receipt of Handles for buckets, and also Electricity bills of Service No 177768 in the name of Suroche Industries 36 GIDC Odhav for the period 2009-10. Scrutiny of the said file reveals that all the electricity charges bills mention month wise consumption in excess of 10000 units; that they have received necessary raw material for manufacture of excisable goods without any bill. This corroborates the fact that machineries installed in the said premises were used throughout the year to manufacture the said goods and unaccounted raw materials were used for manufacture of excisable goods. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty.

44.3 THE FILES APPEARING AT SL NOS 13 & 22 TO THE PANCHNAMA DATED 30.09.2010 CONTAINING PURCHASE INVOICES OF INPUTS LIKE PLASTIC

REPROCESS GRANULES AND RELPET GRANULES AND PURCHASE INVOICES OF COLOURS FOR THE YEAR 2009-10.

Scrutiny of the said files reveals that the said materials were used by M/s Meet for manufacture of PET bottles. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty.

44.4 THE FILE LISTED AT SL NO 12 TO THE PANCHNAMA DATED 30.09.2010 CONTAINING ELECTRICITY BILLS OF SERVICE NO 653663 IN THE NAME OF RAMESHBHAI PURSHOTTAMBHAI PATEL, 35/P/A B/H CMC, GIDC ODHAV & BANK STATEMENTS OF AHD DISTRICT COOP BANK & UNION BANK OF INDIA FOR THE YEAR 2009-10.

Scrutiny of the said file reveals that all the electricity charges bills mention month wise consumption in excess of 20000 units; that from the said Bank statements, it has been noticed that M/s Meet had periodically deposited cash amounts in excess of Rs One to 1.5 lakhs. This corroborates the fact that machineries installed in the said premises were used throughout the year to manufacture the said goods. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty and cash proceeds of illicit clearances were received and deposited in the said bank accounts.

44.5 THE 11 DAILY TRANSACTION ACCOUNT BOOKS APPEARING AT SL NO 43 TO THE PANCHNAMA DATED 30.09.2010 DRAWN AT THE FACTORY PREMISES OF M/S MEET PLAST, 35/6GIDC, OPP. JAY CHEMICALS, ODHAV, AHMEDABAD

On scrutiny of said file, it has been noticed that transactions related to purchase of the raw materials and sales of excisable goods were being made in cash through Shri Rameshbhai Purshottambhai Patel of M/s Meet. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty and cash proceeds of illicit clearances were received by Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav.

44.6 THE DAILY PRODUCTION REGISTER (2009-10) LISTED AT SL NO 27 TO THE PANCHNAMA DATED 30.09.2010

On scrutiny of said file, it has been noticed that the same contains date-wise production of "Rafia", Plastic granules and buckets & tubs from 16/11/09 to 14/09/10. The transactions related to purchase of the raw materials and sales of excisable goods were being made in cash through Shri Rameshbhai Purshottambhai Patel of M/s Meet. The said fully manufactured excisable goods were cleared clandestinely by M/s Meet with intent to evade Central Excise duty and cash proceeds of illicit clearances were received by Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav.

44.7 THE ARTICLE STOCK REGISTER (2009-10) LISTED AT SL. NO. 41 TO THE PANCHNAMA DATED 30.09.2010

On scrutiny of said file, it has been noticed that the same contains details of stock of Plastic Tubs, buckets of different capacities and the quantity of removals of the said goods on the same day either

from M/s Meet or from M/s Margi Polymers. Scrutiny of the said register reveals that the said Article stock register was pertaining to period from 02/02/10 to 11/04/10 wherein the details of stock of Plastic Tubs, buckets of different capacities and the quantity of removals of the said goods on the same day either from M/s Meet or from M/s Margi Polymers have been mentioned; that though the value of sales / removals was not mentioned in the said register, the name and the dates mentioned therein correlated with the entries that of mentioned in the said two collection books for the period. The said fully manufactured excisable goods were cleared clandestinely by the M/s Meets with intent to evade Central Excise by way of suppression of the production of the excisable goods by Shri Rameshbhai Purshottambhai Patel of M/s Meet, Odhav.

45. Investigation based on documentary evidences such as Collection books, Delivery challans, Bank statements and oral evidences in form of statements of suppliers of the Raw materials, job-workers, Buyers of finished goods, Accountant of M/s Meet as well as statements of Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet, collected during the investigation conclusively established beyond iota of doubt that M/s Meet had intentionally made arrangements for illicit purchases of raw materials with intent to utilize the same for unreported production of the excisable goods. M/s Meet have not only suppressed production of the excisable goods but also cleared the same illicitly to evade payment of Central Excise duty and other local taxes. The investigation from the facts and evidences as discussed hereinabove reveals that M/s Radhey Plastic and M/s Meet Polymers were fictitious firms floated by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet through which he sold the fully finished excisable goods which were actually being manufactured by M/s Meet. During the investigation the persons who have carried out job-work on behalf of the M/s Meet, suppliers of the raw materials and buyers of the goods of M/s Meet were identified and differentiated. Further, investigation has been extended to ascertain the manner of dealings of the said persons and under the summons proceedings statements of the concerned persons were recorded under Section 14 of the Central Excise Act, 1944.

46. It is evident from the statements of the persons such as Shri Atul Ranchodbhai Patel, Proprietor of M/s. Mahalaxmi Plastic, 3, Anand Estate, Revabhai Estate Road, CTM, Ahmedabad; Shri Maheshbhai Laxmanbhai Makhija, Proprietor of M/s. Suraj Plastic, Old Cloth Bazar, Delhi Darwaja, Ahmedabad; Shri Mehbubhai Ismilbhai Biyawarwala, Mehbubbbhai M TV, 53, Samir Flat, 4th Floor, Opp. Municipal Kotha, Gollimda, Ahmedabad; Shri Firozbhai Yakubbhai Hazi, 2, Kalapi Flat, Nr. Chandola Talav, Danilimda, Ahmedabad; Shri Faruk M Tekrawala Prop of M/s Horizon Enterprise, 872/2 Bhungli ni Pol, Jamalpur, Ahmedabad; Shri Bhikabhai P Patel, Partner of M/s Sharda Steel Industries, Plot No 304, GIDC Estate, Chhatral, Kalol and Shri Kantibhai Tulsidas Patel, 2, Dhanlaxmi estate, Kathwada Road, B/h GVMM, Odhav, Ahmedabad, that M/s Meet had purchased raw materials such as plastic scrap, waste colours/ pigments and M.S. handles etc., from the aforesaid suppliers and payments towards the such purchase had been made in cash. The said cash payments were made by Shri Rameshbhai Purshottambhai Patel of M/s Meet. Sale of plastic scrap, waste colours/ pigments and M.S. handles etc were made by the supplier without issuing and preparing of any invoice and they have not kept details of such sale in their books of Accounts, as no records were maintained by them. Nor any written purchase order for raw material purchase was

placed by Shri Rameshbhai Purshottambhai Patel or Shri Nitin Patel of M/s Meet. The said facts were also duly corroborated with the details available in the collection books for the year 2009-10 and 2010-11 of the M/s Meets/persons and all of them when confronted with the said seized documents have confirmed and categorically confessed in their statement recorded under Section 14 of Central Excise Act,1944, that they had supplied the raw materials without preparing and issuing any invoice/bill and payment of such sale had been made in cash payments, which was received by them from Shri Rameshbhai Purshottambhai Patel of M/s Meet.

47. Also, the statements of the persons such as Shri Jayantibhai Karshanbhai Radadiya, Proprietor of M/s. Bansidhar Plastic, Rabari Colony, Odhav, Ahmedabad; Shri Bhikhabhai Mathurbhai Patel, Partner of M/s. Dev Plastic, 6112, Chirag Estate, Revabhai Estate Road, Rabari Colony, Ahmedabad; Shri Nileshbhai B Patel, Partner of M/s. Gopinath Plastic Packaging, C-1/282, Phase-I, GIDC, Naroda, Ahmedabad and Shri Manish Amrutbhai Patel Authorized Signatory M/s. Jay Plastics Packaging, 1012/A, GIDC, Phase-IV, GIDC, Naroda, Ahmedabad, reveal that the said job workers have received necessary raw materials for the purpose of job work from Shri Rameshbhai of M/s Meet, without any support of challans and they used to deliver the goods after carrying out job work activities without any support of delivery challans or invoices. The said job workers used to charge the job work charges which were received by them in cash from Shri Rameshbhai Purshottambhai Patel of M/s Meet. The details of cash amount which was paid to them by Shri Rameshbhai Purshottambhai Patel of M/s Meet have been mentioned in the said seized collection books.

48. The statements of the persons such as Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad; Shri Jitendra A Patel, the person who manufactured PET bottles based at 36 GIDC Estate, Opp Jay Chemicals Odhav and Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad who have undertaken manufacture/job work of *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, promoted by and directly under the control of Shri Rameshbhai Purshottambhai Patel of M/s Meet, reveal that:

- PET bottles were manufactured in the premises of Margi Polymers, Dharti Polyplast, adjoining the premises of M/s Meet. These PET bottles bear brand name "MEET".
- Shri Rameshbhai Purshottambhai Patel had supplied the dies/mould free of cost for embossing the brand name "MEET".
- the raw materials such as plastic granules and handles were also supplied by Shri Rameshbhai Purshottambhai Patel to the above mentioned units.
- Shri Rameshbhai Purshottambhai Patel of M/s Meet managed the complete affairs of M/s Margi Polymers and Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers was following absolute directions of Shri Rameshbhai Purshottambhai Patel.
- the finished goods which manufactured by M/s Margi Polymers were removed without any support of documents.
- the cash payments were received from Shri Rameshbhai Purshottambhai Patel, was paid for expenses like job charges, labour, electricity etc.

48.1 The statement of Shri Jitendra Patel, who manufactured PET bottles, reveals that

- Shri Rameshbhai Purshottambhai Patel had purchased a PET blowing machine and given to him to operate and manufacture PET bottles.
- the PET bottles so manufactured at the premises of Shri Jitendra Patel were cleared to M/s Meet without support of invoices, for which raw materials were supplied by Shri Rameshbhai Purshottambhai Patel. The facts were corroborated with the delivery challans and slips of paper which was written by Shri Jitendra Patel as well as Shri Nitin Patel, on directions by Shri Ramesh Patel of M/s Meet. The transactions regarding the sales and removals of PET bottles was maintained under a fictitious name M/s Meet Polymers.
- M/s Dharti Polyplast received plastic waste from Shri Ramesh Patel of M/s Meet for conversion into plastic granules for which the expenses of job, labour, electricity charges were borne by Shri Ramesh Patel of M/s Meet.

49. The statements of persons such as Shri Deepak Kumar Chachaldas Thalani, Proprietor of M/s. M.K. Plastics, Naroda Road, Ahmedabad; Shri Motilal P Panjwani, Proprietor of M/s Heema Plastics, Shop No 19 kalupur Bridge, Ahmedabad; Shri Mitesh Nareshbhai Datania of Visat Plastics 37-57/2/1, Bhukarani Pol, Bawano vando, Shahpur, Ahmedabad; Shri Kalpeshbhai Babulal Patel, having godown situated at 46/6, Opp Saibaba Mandir, Nr Moti Tanki, Danapith, Surat; Shri Rajeshbhai Kishanchand Mojwani, Proprietor of Sonal Plastics, Opp Juna kapad Bazar, Delhi Darwaja, Ahmedabad; Shri Ashokbhai Shitaldas Balwani, proprietor of M/s Sant Asharam Plastic Centre, Shop No C/27 – B, Opp Delhi Darwaja, Shahpur, Ahmedabad; Shri Sunderbhai H. Utwani Proprietor of Sunder Trunk Mart, 127/ B / 11, Outside Delhi Darwaja, Sahapur, Ahmedabad; Shri Kamleshbhai Chhatarbhuji Maheshwari, Proprietor of Kailash Vasani Bhandar, Nr Mahajan Hospital, Delhi Gate, Palanpur and Shri Naeem Salim Ansari, Proprietor of M/s Nafiz Plastics, Rampura – Saiyedpura, Rajawadi, Surat, who had purchased finished goods *i.e. Plastic Buckets, Tubs, Baskets, PET bottles etc.*, from Shri Rameshbhai Purshottambhai Patel, of M/s Meet, recorded under Section 14 of the Central Excise Act, 1944, which duly corroborated with the documentary evidence *i.e.* collection books resumed during the investigation reveals that :

- the aforesaid persons had purchased fully manufactured excisable goods *i.e.* Plastic Buckets, Tubs, Baskets, PET bottles etc., from the M/s Meet. The said purchases had been made in cash and they had received the cash amounts from Shri Rameshbhai Purshottambhai Patel of M/s Meet.
- no purchase bills were received by them from Shri Rameshbhai Purshottambhai Patel of M/s Meet
- the entire cash amounts as mentioned in the collection books were paid towards purchases of finished goods from Shri Rameshbhai Purshottambhai Patel of M/s Meet, and no receipts of such payments were received by them.

50. The statements of Shri Rameshbhai Purshottam Patel duly corroborated with the documentary evidences reveals that Shri Nitin Patel accountant of M/s Meet has written the said collection books in his own handwriting as per the information given by Shri Rameshbhai Purshottam Patel.

Accordingly the transactions of receipts and payments made in cash and the corresponding value of sales and purchases have been entered in the said collection books. The details of the transactions entered in the said collection books indicated date wise purchases made, payments to the concerned person towards purchases/ Miscellaneous expenses including job charges. The said transactions mentioned in the collection books had not been accounted for in their books of Accounts and even were not incorporated in the VAT returns filed by M/s Meet, therefore it conclusively be established that the transactions mentioned in the collection books are of the illicit Purchases of Raw material and Illicit sales effected by M/s Meet since no purchase invoices were received as well as no sales invoices were issued by them. **Shri Rameshbhai Purshottambhai Patel has during the course of personal hearing, confessed that he has evaded the duty and has already paid Rs. 52 lakhs (Rs. 25.03 lakhs deposited till issuance of SCN and Rs. 27 lakhs approx. deposited during the month of April and May'14) approximately after sale of his machinery and factory. He has also committed to pay the balance due amount as and when he will earn the same.**

50.1 Further, Shri Mitesh Nareshbhai Datania, Proprietor of Visat Plastics has during the course of personal hearing on 5.10.2015 confirmed his statement recorded on 29.2.2012 . He also confirmed that he used to purchase goods from M/s Meet and used to pay for the same in cash; Shri Sundarbhai H Utwani, Proprietor of Sundar Trunk Mart has during the course of personal hearing on 5.10.2015 confirmed his statement recorded on 2.3.2012 . He also confirmed that he used to purchase goods from M/s Meet and used to pay for the same in cash; Shri Rajeshbhai K Mojwani, Proprietor of Sonal Plastics has during the course of personal hearing on 6.10.2015 confirmed his statement recorded on 2.3.2012 . He also confirmed that he used to purchase goods from M/s Meet and used to pay for the same in cash and was not getting any receipt for that; Shri Bhikhabhai M Patel, Partner of Dev Plastics has during the course of personal hearing on 6.10.2015 confirmed his statement recorded on 23.6.2011 . He also confirmed that he has never received any documents from M/s Meet and that the payment for jobwork was received in cash and Shri Naeem Salim Ansari, Proprietor of Nafiz Plastics has during the course of personal hearing on 7.10.2015 confirmed his statement recorded on 6.3.2012 . He also confirmed that he used to buy goods from M/s Meet and used to pay for the same in cash and was not getting any receipt for that. It is thus evident that the entire manufacturing business was being run illicitly by Shri Rameshbhai Purshottambhai Patel. He was purchasing raw materials in cash, sending them for job work without documents and manufacturing and selling the finished goods in cash. He has purposefully by doing this evaded payment of central excise duty and other taxes.

51. It is thus evident from the above discussion that M/s Meet had intentionally made arrangements for such illicit purchases of raw materials with intent to utilize the same for unreported production of the excisable goods, thus they have not only suppressed production of the excisable goods but also cleared the same illicitly to evade payment of Central Excise duty and other local taxes. The said facts have been admitted by Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet in his statement dated 22/06/12 wherein he has accepted that they have made illicit clearances of the excisable goods amounting to Rs 5,25,42,617/- and Rs 4,48,95,675/- during the period 2009-10 and April 2010 to 29/09/10, respectively and accordingly accepted Central Excise duty liability

to the tune of Rs.78,58,499/ after deducting the admissible SSI benefit.. The said duty is therefore required to be recovered from them with interest as applicable under section 11 AA of Central Excise Act, 1944

52. Now I come to the issue of imposition of Penalty in terms of the provisions of Section 11AC of Central Excise Act, 1944, read with Rule 25 of the Central Excise Rules, 2002 on M/s Meet. In the show cause notice there is an allegation that there was any mala fide intention or suppression of facts or intention to fraud, collusion or for contravention of any provisions of Rule / Act or to evade payment of duty. Rule 25 of the Central Excise Rule which is reproduced as under:

"Rule 25. Confiscation and penalty. — (1) Subject to the provisions of section 11AC of the act, if any producer, manufacturer, registered person of a warehouse or a registered dealer, —

- (a) removes any excisable goods in contravention of any of the provisions of these rules or the notifications issued under these rules, or
- (b) does not account for any excisable goods produced or manufactured or stored by him; or
- (c) engages in the manufacture, production or storage of any excisable goods without having applied for the registration certificate required under section 6 of the Act; or
- (d) Contravenes any of the provisions of these rules or the notifications issued under these rules with intent to evade payment of duty.

Then, all such goods shall be liable to confiscation and the producer or manufacturer or registered person of the warehouse or a registered dealer, as the case may be, shall be liable to a penalty not exceeding the duty on the excisable goods in respect of which any contravention of the nature referred to in clause (a) or clause (b) or clause (c) or clause (d) has been committed, or rupees Five thousand, whichever is greater." (w.e.f 14.05.2015)

Further, where duty of excise has not been paid by reason of fraud with an intent to evade payment of duty, then the person who is liable to pay duty as determined under Sub Section 10 of Section 11A shall be liable to penalty equal to the duty determined. However in view of the existing provision of Section 11AC(e), if the duty as determined above and interest payable thereon under Section 11AA in respect of the duty determined above is paid within thirty days of the date of communication of this order, then the amount of penalty liable to be paid shall of 25% of the duty determined subject to the condition that such reduced penalty is also paid within the period specified.

In the present case, it has been proved beyond doubt that M/s Meet has made total dutiable clearance of fully finished excisable goods for the period April 2009 up to Sept 29th 2010, amounting to **Rs.8,24,38,292/-**. They have not paid applicable Central Excise duty **amounting to Rs 78,58,499/-(Rupees Seventy Eight Lakhs Fifty Eight Thousand and Four Hundred Ninety-nine only** (Basic Central Excise duty – **Rs 76,29,611/-** + Education Cess @ 2 % comes to **Rs 1,52,592/-** + Secondary & Higher Secondary Education Cess @ 1 % comes to **Rs 76,296/-**) **which in normal circumstances** ought to have been paid at the time of clearance. Since M/s Meet had cleared the excisable goods without preparing documents and without accounting for the same in their statutory

books of account and also did not pay any central excise duty at the time of dispatch, they have thereby become **liable to penalty under** provisions of Section 11AC of Central Excise Act, 1944 read with Rule 25 of Central Excise Rules, 2002..

53. Now I come to the issue regarding imposition of penalty under Rule 26(1) of Central Excise Rules, 2002 on Shri Rameshbhai Purshottambhai Patel, the proprietor of M/s Meet, Shri Nitinkumar Nathalal Patel, accountant of M/s.Meet Plast, Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers, Shri Jitendra A Patel,36 GIDC Estate, Opp Jay Chemicals Odhav and Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast.

It is evident from the discussions that Shri Rameshbhai Purshottambhai Patel, the proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad is the architect in the whole gamut of evasion of Central Excise duty on Plastic buckets, tubs, baskets, Pet Bottles, etc that were manufactured and cleared from the factory premises of M/s Meet under the brand name of "Meet". Shri Rameshbhai Purshottambhai Patel floated fictitious firms namely M/s Radhey Plastic and M/s Meet Polymers to wrongly avail Small Scale Industries exemption. Shri Rameshbhai Purshottambhai Patel has knowingly indulged and involved himself in clearing the said goods that were manufactured on the machineries installed in his M/s Meet, and at other manufacturer's premises, illicitly. He had accepted in his various depositions as discussed hereinabove, wherein that he has admitted that with the help of Shri Nitinbhai Patel, Shri Vipul Patel and Shri Jitendra Patel had prepared delivery challans, (copies of which were seized during the search dated 20/01/11) and would personally hand over the kachha chits – loose challans, supervise and direct him about the entries to be made, where the challans were issued and amounts as mentioned in the DCs were entered in the relevant ledger account of the particular person. He also accepted that all the transactions details as contained in the said two collection books were illicit removals of plastic tubs, buckets, baskets, Pet Bottles etc which were manufactured on the machineries installed in M/s Meet or got manufactured by him through persons who were directly under his control, and where no bills or invoices for clearances of such finished goods were issued. The involvement of Shri Rameshbhai Purshottambhai Patel is further compounded by the fact that he convinced and pulled other persons into his dubious modus of tax evasion of such magnitude. Shri Vipul Patel of M/s Margi Polymers, Shri Sanjay Patel of M/s Dharti Polyplast, and Shri Jitubhai Patel who would manufacture PET bottles, all were just pawns in his hands as they were promoted and helped by Shri Rameshbhai Purshottambhai Patel. The above said persons have categorically stated in their respective statements that Shri Rameshbhai Purshottambhai Patel who had developed a network of distribution, transportation and customers for his own products, would manufacture and sell other products like Containers with lids, PET Bottles etc. from his premises. But all of these products were not manufactured on the machines installed in the premises of M/s Meet. Shri Sanjay P. Patel, proprietor of M/s Dharti Polyplast who was engaged in converting the major raw material – plastic granules from Plastic scrap & Rafia, Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers who undertook manufacturing of Plastic Tub, buckets, baskets all of "Meet" brand, and Shri Jitubhai Patel who would manufacture PET bottles were based in the close vicinity of the factory premises of Meet Plast. All the functioning of these persons / units was centrally monitored, controlled and

supervised by Shri Rameshbhai Purshottambhai Patel and Shri Nitinkumar Patel from the office premises based at M/s Margi Polymers. This arrangement augmented effective implementation of the devious means of Central Excise duty evasion formulated by him. Since the very fact that Shri Vipul Vishnubhai Patel, proprietor of M/s Margi Polymers Shri Sanjay P. Patel, proprietor of M/s Dharti Polyplast and Shri Jitubhai Patel were promoted by and supported by Rameshbhai Patel, they had no independent say in any functioning of their respective units, as they were reimbursed and paid the salaries, their labour, electricity and other charges. They had not even bargained for the job charges paid and accepted what was paid to them. All their accounts, receipts and payments were kept, maintained and updated by Shri Nitinkumar Patel on Rameshbhai's instructions, as they were functioning and reporting to him. It was also forthcoming that M/s Dharti Polyplast did not even have any Bank account. In order to keep a track of the PET bottles manufactured and sold, he had created a fictitious firm M/s Meet Polymers in his books of Accounts with the connivance of the aforesaid persons, M/s Meet has evaded Central Excise duty by way of suppression of production of the excisable goods and clandestinely cleared the said goods with malafide intention as discussed herein above. Thus, Shri Rameshbhai Purshottambhai Patel, the proprietor of M/s Meet, Shri Nitinkumar Nathalal Patel, accountant of M/s.Meet Plast, Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers, Shri Jitendra A Patel, 36 GIDC Estate, Opp Jay Chemicals Odhav and Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast were fully concerned in purchasing, transporting, receiving of excisable goods which they knew or had reasons to believe, that such goods are liable to confiscation under sub rule (1)(b) & (1)(d) of Rule 25 of the Central Excise Rules, 2002 and Rules made there under. Therefore, I hold them liable for penalty under the provisions of Rule 26(1) of Central Excise Rules, 2002. However, penalty under Rule 26(1) Central Excise Rules, 2002 is not required to be imposed on Shri Rameshbhai Purshottambhai Patel, Proprietor of M/s Meet, as penalty under Section 11AC of Central Excise Act, 1944, read with Rule 25 of the Central Excise Rules, 2002 is being imposed on M/s Meet.

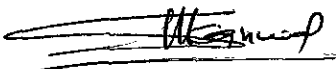
54 In view of the above, I pass the following order:

O R D E R

- i. I confirm the demand for Central Excise duty of **Rs. 78,58,499/-** (Rupees Seventy Eight Lakhs Fifty Eight Thousand and Four Hundred Ninety-nine only (Basic Central Excise duty – Rs. 76,29,611/- + Education Cess @ 2 % comes to Rs 1,52,592/- + Secondary & Higher Secondary Education Cess @ 1 % comes to Rs 76,296/-), involved in illicit production and clearance of Plastic Buckets, Kitchen Wares, Plastic Tubs, Baskets and Pet bottles falling under Chap 39, of the CETA 1965, valued at Rs 8,24,38,292/- order recovery of the same under the proviso to Section 11A(1) now Section 11 A (4) of the Central Excise Act, 1944. Since an amount of Rs.25,03,000/- has already paid by M/s Meet during the investigation, I appropriate the same against the duty demanded. Further, Shri Rameshbhai Pushottambhai Patel has during the course of personal hearing on 1.10.2015 informed that he had further deposited Rs. 27 lakhs approximately. Since he could not produce evidences regarding the same, I am not appropriating the same against their duty liability. The Jurisdictional Assistant Commissioner/ Deputy Commissioner is hereby directed to obtain the payment particulars and

verify the authenticity of his claims. The amount if found to be paid stands to be appropriated against the said demand.

- ii. I order to recover Interest at the prescribed rate on the amount confirmed at Sr. No. i above under Section 11AB/ 11 AA of Central Excise Act, 1944
- iii. I impose Penalty amounting to **Rs. 78,58,499/- (Rupees Seventy Eight Lakhs Fifty Eight Thousand and Four Hundred Ninety-nine only)** in terms of the provisions of Section 11AC of Central Excise Act, 1944, read with Rule 25 of the Central Excise Rules, 2002 on M/s Meet for the above mentioned contraventions.
- iv. I impose Penalty amounting to **Rs. 3,00,000/- (Rupees Three Lakhs only)** on Shri Nitinkumar Nathalal Patel, Accountant of M/s Meet under Rule 26(1) of Central Excise Rules, 2002 for the offence (s) as discussed hereinabove.
- v. I impose Penalty amounting to **Rs.2,00,000/- (Rupees Two Lakhs only)** on Shri Vipul Vishnubhai Patel, Proprietor of M/s Margi Polymers under Rule 26(1) of Central Excise Rules, 2002 for the offence (s) as discussed hereinabove.
- vi. I impose Penalty amounting to **Rs. 2,00,000/- (Rupees Two Lakhs only)** on Shri Jitendra A Patel, 36 GIDC Estate, Opp Jay Chemicals Odhav under Rule 26(1) of Central Excise Rules, 2002 for the offence (s) as discussed hereinabove.
- vii. I impose Penalty amounting to **Rs. 2,00,000/- (Rupees Two Lakhs only)** on Shri Sanjay Purshottam Patel, proprietor of M/s Dharti Polyplast under Rule 26(1) of Central Excise Rules, 2002 for the offence (s) as discussed hereinabove.


(K K KABIRPANTHI)
Principal Commissioner
Central Excise, Ahmedabad-I
Date: 03 /11 /2015

F.No.V.39/15-69/OA/2012

BY RPAD/HAND DELIVERY

To,

1. Shri Ramesh Purshottambhai Patel proprietor of M/s Meet Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad.
2. Shri Nitinkumar Nathalal Patel, accountant of M/s. Meet Plast, Plot No.35/6, GIDC, Opp Jay Chemicals, Odhav, Ahmedabad.
3. Shri Vipul Vishnubhai Patel, Prop of M/s Margi Polymers 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad,,
4. Shri Sanjay Purshottambhai Patel, Prop of M/s. Dharti Polyplast, 36/7, Opp Jay Chemicals, GIDC Odhav, Ahmedabad,
5. Shri Jitendra Patel, 36 GIDC Estate, Opp Jay Chemicals Odhav , Ahmedabad

Copy to:

1. The Chief Commissioner, Central Excise, Ahmedabad Zone
2. The Deputy/Assistant Commissioner, Central Excise (RRA), Ahmedabad – I
3. *The Deputy/Assistant Commissioner, Central Excise (Legal), Ahmedabad – I*
- 4.. The Assistant Commissioner, Central Excise, Div-V, Ahmedabad-I
5. The Superintendent, Central Excise, AR- III, Div. V, Ahmedabad – I
6. The Superintendent (System), Central Excise, Ahmedabad – I
7. The Deputy/Assistant Commissioner (TAR), Central Excise, Ahmedabad – I
8. Guard File

