



- DAREE

केन्द्रीय उत्पाद शुल्क एवम सेवा कर आयुक्तालय , भावनगर
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX

प्लॉट नं. 6776-बी/1, 'सिद्धि सदन' बिल्डिंग,
PLOT NO. 6776/B-1, "SIDDHI SADAN" BUILDING,
नारायण उपाध्याय मार्ग, भावनगर-364001
NARAYAN UPADHYAY MARG, BHAVNAGAR-364 001.
दूरभाष : (0278) 2523627 फैक्स : 0278-2513086

रजिस्टर्ड डाक पावती द्वारा

By R.P.A.D.

फाईल सं. V/15-13/Adj/DGCEI/HQ/2010
F. No.

आदेश की तारीख : 02/03/2012
Date of Order :
जारी करने की तारीख : 02/03/2012
Date of Issue :

पारितकर्ता

Passed by

श्री एन के भुजबल

SHRI N. K. BHUJABAL

आयुक्त , केन्द्रीय उत्पाद शुल्क एवम सेवा कर, भावनगर

Commissioner , Central Excise and Service Tax, Bhavnagar

मूल आदेश संख्या Order-in-Original No : 11/BVR/Commissioner/2012

1. आदेश की यह प्रति जिसको जारी किया गया है उनके व्यक्तिगत उपयोग के लिए नि:शुल्क भेजी जा रही है ।
1. This copy of order is granted free of charges for private use of the person(s) to whom it is issued and sent.
2. यदि कोई व्यक्ति इस आदेश से स्वयं को असंतुष्ट अनुभव करता है , तो इस आदेश के विरुद्ध सीमा शुल्क , केन्द्रीय उत्पाद शुल्क एवं सेवा कर अधीनीय प्राधिकरण , ओ-20 , मेघानी नगर , नया मानसिक अस्पताल संकुल , अहमदाबाद को केन्द्रीय उत्पाद शुल्क अधिनियम की धारा 35-बी की उपधारा 1(a) की शर्तों के आधार पर अपील कर सकता है । धारा 35-बी (1) (परंतुक) (a) से (d) के अंतर्गत मामले जैसे कि हानि , छूट , बॉण्ड के अंतर्गत निर्यात , शुल्क क्रेडिट के मामले , आवेदन के पुनरीक्षण के मामलों में आवेदन भारत सरकार के संयुक्त सचिव , राजस्व विभाग , वित्त मंत्रालय , नई दिल्ली को बंधनकर्ता रहेगा ।
2. Any person(s) deeming himself aggrieved by this Order may appeal against this order to The Customs, Excise and Service Tax Appellate Tribunal, West Zonal Bench, Ahmedabad, O-20, Meghani Nagar, New Mental Hospital Compound, Ahmedabad, in terms of the provision of Section 35B(1)(a) of the Central Excise Act, 1944. If the case covered under the category specified in Section 35B(1) (Proviso) (a) to (d), i.e. Loss, Rebate, Export under Bond, duty credit cases, the Revision application shall lie to the Joint Secretary to the Government of India, Department of Revenue, Ministry of Finance, New Delhi.
3. अपील फॉर्म E.A.-3 में केन्द्रीय उत्पाद शुल्क (अपील) नियम , 2001 के नियम 3 के उपनियम 2 में विनिर्दिष्ट व्यक्ति द्वारा की जानी चाहिए ।
3. The Appeal should be filed in form EA.-3. It shall be signed by the person as specified in Rule 3(2) of the Central Excise (Appeals) Rules, 2001.
4. केन्द्रीय उत्पाद शुल्क अधिनियम , 1944 की धारा 35-B के अंतर्गत अपील इस आदेश की प्राप्ति के तीन माह के अंदर दर्ज करवानी होगी ।
4. The appeal should be filed within three months from the date of communication of this order. (Section 35B of the Central Excise Act, 1944).
5. यह अपील चार प्रतियों में दाखिल की जाए और जिसके विरुद्ध अपील की गई है , उस आदेश की समान संख्या में प्रतियां संलग्न की जाए (इन में से कम से कम एक प्रति अधिप्रमाणित होनी चाहिए) । उक्त अपील के समर्थक सभी दस्तावेज चार प्रतियों में भेजे जाएं । उक्त अपील व्यक्तिगत रूप से रजिस्ट्रार के समक्ष प्रस्तुत की जाए या पंजीयक के नाम से रजिस्ट्री डाक द्वारा भेजी जाए । रजिस्ट्रार के कार्यालय में प्राप्ति की तारीख नियत अवधि में होगी ।



5. 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. The appeal shall be presented in person to the Register or sent by Registered Post addressed to the Registrar. But the date of receipt in office of the said Registrar in time or otherwise will be the relevant date for the purposes of limitation of time.

6. फीस का भुगतान न्यायाधिकरण की पीठ के सहायक रजिस्ट्रार के पक्ष में रेखांकित बैंक ड्राफ्ट द्वारा अधिनियम के प्रावधानों के अंतर्गत करना अपेक्षित है। यह ड्राफ्ट जहाँ पीठ स्थित है, किसी राष्ट्रीयकृत बैंक की किसी शाखा के नाम पर जारी किया जाए और उस उक्त अपील प्रपत्र के साथ डिमाण्ड ड्राफ्ट संलग्न किया जाना चाहिए।

6. The Fee is required to be paid as under through a cross Bank Draft in favour of the Assistant Registrar of Bench of the Tribunal on a branch of any Nationalized Bank located at the place where the Bench is situated and it shall be attached to the form of appeal.

- (क) जहाँ पर मांगा गया शुल्क ब्याज और दण्ड रूपए 50,00,000/- (रूपए पचास लाख) से ज्यादा हो, रु. 10,000/- (रूपए दस हजार)
- (a) Where the amount of duty and interest demanded and penalty is levied is more than ₹ 50,00,000/- (Rupees Fifty Lakhs), ₹ 10,000/- (Rupees Ten Thousand);
- (ख) जहाँ पर मांगा गया शुल्क ब्याज और दण्ड रूपए 5,00,000/- (रूपए पांच लाख) से अधिक हो लेकिन, रूपए 50,00,000/- (रूपए पचास लाख) से कम हो 5,000/- (रूपए पांच हजार)
- (b) Where the amount of duty and interest demanded and penalty levied is more than ₹ 5,00,000/- (Rupees Five Lakhs) but not exceeding ₹ 50,00,000/- (Rupees Fifty Lakhs), ₹ 5,000/- (Rupees Five Thousand);
- (ग) जहाँ पर मांगा गया शुल्क ब्याज और दण्ड रूपए 5,00,000/- (रूपए पांच लाख) अथवा कम हो, रूपए 1,000/- (रूपए एक हजार)
- (c) Where the amount of duty and interest demanded and penalty levied is ₹ 5,00,000/- (Rupees Five Lakhs) or less, ₹ 1,000/- (Rupees One Thousand);

7. इस आदेश की प्रतिलिपि पर न्यायालय शुल्क मुद्रांक अधिनियम, 1970 की अनुसूची 1 मद 6 के अंतर्गत निर्धारित 50 पैसे का न्यायालय शुल्क मुद्रांक (कोर्ट फी स्टाम्प) लगाया जाना चाहिए।

7. The Copy of this order attached therein should bear a Court fee stamp of 50 paise as prescribed under schedule 1 of Article 6 of the Court fee stamp Act, 1970.

8. उक्त अपील फॉर्म के साथ शुल्क / दण्ड की अदायगी का प्रमाण संलग्न किया जाना चाहिए।

8. Proof of payment of duty, penalty etc. should also be attached in original to the form of appeal.

9. अपील पर रु. 5 (रूपए पांच) का न्यायालय शुल्क मुद्रांक (कोर्ट फी स्टाम्प) लगाया जाना चाहिए।

9. Appeal should bear a Court Fee Stamp ₹ 5/-.

10. पूर्ण जानकारी हेतु केन्द्रीय उत्पाद शुल्क (अपील) नियम, 2001 एवम CESTAT (कार्यविधि) नियम 1982 देखें।

10. Please refer to the Central Excise (Appeals) Rules, 2001 and the CESTAT, Procedure Rules, 1982 for complete details.

To,

- (1) **M/s. Hakikat Auto Industries**
Rajkot Bhavnagar Highway Road,
Chavand - 365 435.
- (2) **Shri Karimbhai Nanjibhai Shah**



विषय : कारण बताओ नोटिस संख्या :

Subject: Show Cause Notice F. No. DGCEI/AZU/36-105/2010-11 dated 25.10.2010 issued to M/s. Hakikat Auto Industries and Shri Karimbhai N. Shah by the Additional Director General, DGCEI, AZU, Ahmedabad.

BRIEF FACTS OF THE CASE :-

The facts of the case in brief are that M/s. Hakikat Auto Industries, Rajkot- Bhavnagar Highway Road, Chavand, Amreli (hereinafter referred to as "M/s. Hakikat" or "Noticee" for the sake of brevity) is engaged in the manufacture of Three Wheeled Motor Vehicle (hereinafter referred to as "Chhakkdo Rickshaw") used for transportation of goods falling under CETSH No. 8704 21 20 of the Central Excise Tariff Act, 1985 and is registered with the Central Excise department, having Registration No. AFHPS6385QZM001.

2. Intelligence collected by DGCEI :

2.1 An Intelligence was gathered by the Directorate General of Central Excise Intelligence, Ahmedabad Zonal Unit, Ahmedabad (herein after referred to as "DGCEI") that the manufacturers of three wheeled transport carriers, commonly known as "Chhakkdo Rickshaw", are evading payment of Central Excise duties by suppressing their production and making clandestine clearances. The said "Chhakkdo Rickshaw" is not covered under Notification No. 08/2003-CE dated 01/03/2003, as amended, and hence there is no SSI exemption available to them and therefore the manufacturers have to pay Central Excise duty from the very first clearance.

2.2. Based on the above intelligence, DGCEI, decided to conduct a detailed investigation against the manufacturers of Chhakkdo Rickshaws, including M/s. Hakikat. The Officers of DGCEI, Ahmedabad Zonal (AZU), Ahmedabad as well as officers of Central Excise Commissionerates conducted searches on 06/10/2009 at various premises of Chhakkdo Rickshaw manufacturers, including the factory premises of M/s. Hakikat.

2.3. During the course of panchnama drawn at the factory premises of M/s. Hakikat, the records/ documents pertaining to M/s. Hakikat were recovered under panchnama. The preliminary scrutiny of records/ documents, as mentioned in Annexure to the panchnama dated 06/10/2009 revealed that during the period from October, 2005 to September, 2009, M/s. Hakikat have shown clearances of 228 Chhakkdo rickshaws only. However, as a result of investigation, it was noticed that 582 Chhakkdo Rickshaws with makers' name "Hakikat" were registered with different RTOs during the period from 01.10.2005 to 05.10.2009. It was observed that M/s. Hakikat had not paid Central Excise and other duties on 354 Chhakkdo Rikshaws manufactured and cleared by them and registered with different RTOs. It was also noticed that M/s. Hakikat had also evaded payment of Central Excise and other duties by way of gross undervaluation of their finished goods i.e. Chhakkdo Rickshaw. As a result of investigation, a show cause notice F.No. DGCEI/AZU/36-105/2010-11 dated 25.10.2010 has been issued by the Additional Director General, DGCEI, AZU, Ahmedabad proposing to demand duties of ₹ 52,48,132/- (Central Excise duty ₹ 50,71,600/-, Education Cess ₹ 1,01,432/-, Secondary and Higher Education Cess ₹ 28,900 and M.V. Cess ₹ 46,200/-) under section 11A(1) of Central Excise Act, 1944 (herein after referred to as "CEA, 1944") along with interest under section 11AB of CEA, 1944 from M/s. Hakikat and proposing penalty under section 11AC of CEA, 1944 read with Rule 25 of Central Excise Rules, 2002 (herein after referred to as "CER, 2002) on M/s. Hakikat. Show cause notice also proposes penalty under Rule 26 of CER, 2002 on Shri Karimbhai Nanjibhai Shah, proprietor of M/s. Hakikat.



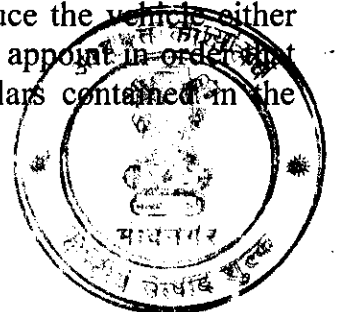
2.4 The statutory requirements to be complied with by the vehicle manufacturers with respect to other Acts and Rules are discussed below, for better comprehension of the issue involved in this case.

3. Need for RTO registration.

3.1.1. In order to secure the safety of public in general, to maintain the safety standards of components fitted in various vehicles, other technical aspects and to check the emission of smoke, vapour from the vehicles plying on roads, the Ministry of Road Transport & Highway, Govt. of India, has enacted the Motor Vehicles Act which is amended from time to time. The respective State Govt. ensures the compliance of the Central Motor Vehicle Act and Rules there under. Accordingly, the registration of vehicles is necessary. The Govt. of Gujarat has established Regional Transport Office under the Commissionerate of transport in different cities for the compliance of the Central Motor Vehicle Act and Rules there under. Section 39 of the Central Motor Vehicle Act, 1988 stipulates that "No person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is registered in accordance with Chapter IV and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner". Rule 42 of the Central Motor Vehicles Rules, 1989 (herein after referred to as "CMVR, 1989") stipulates that "No holder of a trade certificate shall deliver a motor vehicle to a purchaser without registration, whether temporary or permanent". Rule 47 of the Central Motor Vehicle Rules, 1989 stipulates the documents to be submitted for registration of vehicles. Accordingly, the following documents are required to be submitted for vehicle registration.

01. Sale certificate in form 21.
02. Valid Insurance Certificate
03. Copy of the proceedings of the state Transport Authority or Transport Commissioner or such other authorities as may be prescribed by the state Government for the purpose of approval of the design in the case of a trailer or a semi trailer
04. Original sale certificate from the concerned authorities in Form 21 in the case of ex-army vehicles,
05. proof of address by way of any one of the documents referred to in rule 4;
06. temporary registration, if any
07. road- worthiness certificate in Form 22 from the manufacturers, (Form 22A) from the body builders,
08. Customs clearance certificate in the case of imported vehicles along with the licence and bond, if any, and
09. Appropriate fee as specified in rule 81 of Central Motor Vehicle Rules, 1989.

3.1.2 Further, Rule 44 of CMVR, 1989 stipulates that " the registering authority shall before proceeding to register a motor vehicle or renew the certificate of registration in respect of motor vehicle, other than a transport vehicle, require the person applying for registration of the vehicle or, as the case may be, for renewing the certificate of registration to produce the vehicle either before itself or such authority as the State Government may appoint in order that the registering authority may satisfy itself that the particulars contained in the



application are true and that the vehicle complies with the requirements of this Act and of the rules made there under. From the above, it is clear that a vehicle needs to be produced before RTO authority for registration.

3.1.3. Rule 43 of CMVR, 1989 stipulates that "Notwithstanding anything contained in section 40, the owner of a motor vehicle may apply to any registering authority or other prescribed authority to have the vehicle temporarily registered in the prescribed manner and for the issue in the prescribed manner of a temporary certificate of registration and a temporary registration mark".

3.1.4. The said rule further states that a temporary registration made shall be valid only for a period not exceeding one month and shall not be renewable provided that where a motor vehicle so registered is a chassis to which a body has not been attached and the same is detained in a workshop beyond the said period of one month for being fitted, the period may, on payment of such fees, if any, as may be prescribed, be extended by such further period or periods as the registering authority or other prescribed authority as the case may be, may allow.

3.1.5. It may be mentioned that the term Chassis means the frame plus the "running gear" like engine, transmission, and driveshaft, differential and suspension. A body which is usually not necessary for integrity of the structure is built on the Chassis to complete the vehicle. Commercial vehicle manufacturers may have "Chassis only" versions that can be outfitted with specialized bodies.

3.1.6. Section 40 of Motor Vehicles Act, 1988 (herein after referred to as "MVA, 1988") states that "Subject to the provisions of section 42, section 43 and section 60, every owner of a motor vehicle shall cause the vehicle to be registered by a registering authority in whose jurisdiction he has the residence or place of business where the vehicle is normally kept.

3.1.7. From the above, it is crystal clear that registration of all vehicles with the RTO is a statutory requirement. Each vehicle with maker's name gets registered with RTO authorities functioning under the respective state governments. Hence the details provided by RTOs regarding the vehicles registered during a particular period are accurate and reliable in all respect. From the above, it is seen that the temporary registration takes place where the factory of the vehicle manufacturer is situated and permanent registration takes place where buyer of the vehicle resides.

3.2. Details of vehicles of M/s. Hakikat registered with RTO.

3.2.1. Based on the above said intelligence as discussed in para 2.1, a search was conducted at the premises of various manufacturers of Chhakkdo Rickshaws including M/s. Hakikat. The preliminary scrutiny of records/documents withdrawn from the factory premises of M/s. Hakikat under panchnama dated 06/10/09 revealed that during the period October, 2005 to September, 2009, M/s. Hakikat have shown clearance of 228 Chhakkdo Rickshaws only. Looking to the very few clearances shown by M/s. Hakikat, to verify the genuineness of the sales of Chhakkdo Rickshaws, it appeared necessary to compare the same with the number of vehicles of M/s. Hakikat registered with different RTOs.



3.2.2. Since the registrations of Chhakkdo Rickshaws are compulsory with the RTO authorities before plying on roads as discussed above, the details of vehicles registered with maker's name "Hakikat" were called for from different Regional Transport Offices (RTOs). On the basis of the details submitted by various RTOs, it is noticed that 582 Chhakkdo Rickshaws were registered with maker's name "Hakikat" during the period from 01/10/2005 to 05/10/2009. However, M/s. Hakikat has shown only 228 Chhakkdo Rickshaws manufactured and cleared by them on payment of Central Excise and other duties during the period from 01/10/2005 to 05/10/2009 in their monthly ER-1 returns filed by them with Central Excise department, which is discussed subsequently. Hence, from the above, it is observed that M/s. Hakikat have not paid Central Excise and other duties on 354 Chhakkdo Rickshaws manufactured and cleared by them and registered with different RTOs. The complete list of Chhakkdo Rickshaws manufactured and registered with maker's name as "HAKIKAT" with different RTOs, for the period from 01/10/2005 to 05/10/2009 is attached as Annexure "A" to the show cause notice.

4. **Obligation to obtain compliance certificate from Automotive Research Association of India (ARAI), Pune by Chhakkdo Rickshaws manufacturers.**

4.1 In the case of manufacturing of Motor Vehicles, the vehicle manufacturers have to follow certain legal requirements, as the vehicles move on road. Safety of people as also environment is of paramount importance. Hence, Government has made it mandatory that all vehicles need to be registered with local Regional Transport Offices (RTO) before plying on the roads. Accordingly, the Chhakkdo Rickshaws are also required to be registered with RTOs. It is obligatory on the part of the vehicle manufacturers to obtain compliance certificate from Automotive Research Association of India (ARAI), Pune under the provisions of Rule 126 of Central Vehicle Rules, 1989. As the Chhakkdo Rickshaw manufacturers have to comply with the provisions of Central Motor Vehicle Rules, 1989, the manufacturers have to supply BASE MODEL to Automotive Research Association of India (ARAI), Pune for approval and obtaining requisite Certificate from them as per Rule 126 of Central Motor Vehicles Rules, 1989. ARAI, Pune approves the design of Chhakkdo Rickshaw on the basis of BASE MODEL supplied by the vehicle manufacturer. The said Chhakkdo Rickshaws are permitted to be manufactured by only those persons/firms who possess such certificate issued by Automotive Research Association of India (ARAI) Pune. The compliance certificate issued by ARAI, Pune is not transferable and the manufacturer authorized therein only can manufacture such vehicles. Even if the manufacturers gets part of the work done through another person, the liability of payment of Central Excise Duties are only on such manufacturers who are authorised by ARAI, Pune. So the vehicles manufactured on job work basis also accounted in the name of ARAI approved manufacturer. Even if the assessee claims that part of the work done by other job workers, the manufacturer who is authorised by ARAI, Pune is considered as the manufacturer of Chhakkdo Rickshaw and they are liable to pay duty on the same. As per rule 122 of CMVR, 1989, the location of chassis number and code for month and year of manufacture are defined by ARAI, Pune. Accordingly, the manufacturer gives Chassis no. to the vehicles manufactured by them. The Chassis no. contains name of manufacturer in short, Sr. No. of vehicle in a calendar year and year of manufacture. For illustration, in Chassis no. HAI/01/09, "HAI" represents name of manufacturer viz. M/s. Hakikat, "01" shows the Sr. No. of vehicle manufactured in a calendar year and "09" shows year of manufacture.



4.2. The RTO registers the vehicles of those manufacturers who are having requisite certificate from ARAI, Pune. The Certificate holders of ARAI, Pune can only issue Form 21 and Form 22 required for registration of vehicles before RTO. In fact, the permission for the sale of said Chhakkdo Rickshaws are given by the Commissionerate of Transport, Gujarat State, Gandhinagar only after submission of the compliance certificate granted by ARAI as to the compliance of provisions of the M.V. Act, 1988 and the Rules in respect of Goods Vehicles. The scanned images of one such Certificate granted by ARAI to M/s. Hakikat is reproduced below :-



The Automotive Research Association of India
(Research Institution of the Automotive Industry with the Ministry of Heavy Industries & Public Enterprises, Govt. of India)

ARAI/CMVR/1163B(1365, 589)/2009-016

Date: 12th February 2009.

CERTIFICATE

Cert	Brief	Drq	Total
3	3	--	6 pgs

FOR COMPLIANCE TO THE CENTRAL MOTOR VEHICLES RULES.

1. In order to establish compliance to the provisions of CMVR, 1989, applicable as on date, documental verification/necessary testing was carried out, on the following base model, submitted by the vehicle manufacturer referred below:

ARAI/CMVR/313(589)-1302 (*) dt. 13.03.2007			M/s. Hakikat Auto Industries, Rajket Bhavnagar Highway, Chavand-385435, Dist. Amreli, Gujarat Plant: Chavand, Gujarat	
Model	Power	cc	M/s. Greaves Cotton Ltd. Plant: Aurangabad.	
GL-400 II A	5.51 kW @ 3800 rpm	395		
VARIANTS				
Hakikat D-1 Diesel 3 Wheeler Load Carrier			Goods Carrier-LSN	1 Person
				950 482
Hakikat D-1 Diesel 3 Wheeler Load Carrier LW				700 202

- 1a. Brief technical specifications (No. HA/ARAI/2008/001) of the vehicle model and its variant, as declared by the vehicle manufacturer, are enclosed with this certificate. Detailed specifications (No. HA/ARAI/2008/001) of the vehicle model and its variant, are also separately issued to the vehicle manufacturer.
2. It is certified that the above base model and its variant, comply with the provisions of the Central Motor Vehicles Rules, 1989, as amended up-to-date, including following requirements, (as detailed at ANNEXURE-I & IA):

Bharat Stage-II	GSR 720(E)	10.09.2003	01.04.2005	115 (12)
Free Acceleration Smoke	GSR 111(E)	10.02.2004	01.10.2004	115 (2) (ii)
Passby Noise Limits			01.04.2005	120 (2)
Safety Components	GSR 400(E)	31.05.2002	Notified dates	ANNEXURE-I
	S. O. 1365(E)	13.12.2004		ANNEXURE-IA
	S. O. 481(E)	30.03.2005		
Tyres/Brakes/Lamps/Reflex Reflectors	GSR 55(E)	18.09.2005		95(1) / 96(4) / 104(4) / 105(1)

3. This Certificate is issued as per CMV Rule 126, to establish compliance with Central Motor Vehicles Rules, 1989, & shall not be construed as a certificate of compliance to any rules other than those listed in ANNEXURE-I & IA. Compliance to these rules has been verified based on use of specific components/parts/assemblies etc. details of which are given in the detailed specifications duly endorsed by ARAI as mentioned at para. 1a above. It is the vehicle manufacturer's responsibility to ensure fitment of same components/parts/assemblies etc. before submission of the vehicle for registration.
4. Further ARAI issues Type Approval Certificates for vehicles / components / parts / assemblies etc. based on the documents produced / submitted by the customer and on these basis, the vehicles are examined and if approved, the certificate is issued. ARAI is in no way responsible for any misuse of copying of any design / type / system in connection with entire vehicle / components / parts and assemblies. Breach of any statutory provision of Indian laws or laws of other countries, will be the sole responsibility of the customer and ARAI shall not be liable for any claims or damages, made by the party, whatsoever, the customer shall alone be liable for the same, and undertakes to indemnify ARAI in this regard. Further, the ARAI has the right to initiate cancellation / withdrawal of the certificate issued, in case of any fraud, misrepresentation, when it surfaces and comes in the knowledge of ARAI. The appropriate local courts at Pune shall have the jurisdiction in respect of any dispute, claim or liability arising out of this certificate / Report.
5. This Certificate is issued for the above "OE" base model subject to the conditions given at ANNEXURE-II.

CAUTION: The vehicle manufacturer is required to comply with the Conformity of Production (CoP) requirement as per GSR 400(E) dt. 31st May 2002 & GSR 720(E) dt. 10th September 2003 (detailed at ANNEXURE-III). After one year from the date of issue of this certificate, registering authorities shall verify that the necessary compliance to CoP requirement by test agency, is established by the vehicle manufacturer, otherwise this certificate will be null & void.

AUTHORISED SIGNATORY,

SHRIKANT R. MARATHE,
DIRECTOR,
ARAI, PUNE. Page 1 of 3

Mrs. RASHMI URDHWARESHE,
DEPUTY DIRECTOR,
APEX CELL, ARAI, PUNE.
Place of Issue : Pune



Regd. Office : S. No. 102, Vetal Hill, Off Paud Road, Kothrud, Pune 411 038 (India) Postal Address : P. B. No. 532, Pune 411 004 (India)
Tel. : +91-20-3023 1111, Fax : +91-20-2543 4190, Email : director@araiindia.com
Website : www.araiindia.com

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ANNEXURE-I

To

CMVR CERTIFICATE No: ARAI/CMVR/1163B(1365, 589)2009-016 dated: 12th February 2009.

Following rules are verified and found to be complying.

Rule	Sub-Rule	Description	Std. & effective dt.	Org.
83	(1), (2), (4), (6), (7)	Overall dimension of motor vehicles	---	NH
94	(1), (2) & (3)	Condition of tyres	---	
95	(1), (2), (3), (4), (5), (6)(i)	Size & Ply Rating of Tyres Fr: 3.25 x 19 - 4 PR Rr: 6.20 x 14 - 6 PR	Make: MRF AIS:044/2004 & AIS:050/2004 01.04.06	
96	(4)(b) (1),(2),(3), (5), (6), (7)(a), (8)	Brakes	IS: 14664:1999	
98	(2)	Steering gear	---	NH
99	---	Forward and backward motion	---	
102	(1) & (2)	Signalling devices, direction indicators & stop lights	---	
103	(1) & (2)	Position of the indicator (As amended by GSR 589(E))	---	
104	(1) (2) - Goods	Filament of reflectors (As amended by GSR 589(E))	AIS:057:2005 01.04.06	
105	(1)(b), (3), (4) & (7)	Lamps (As amended by GSR 589(E))	---	
106	(1)	Deflection of lights	---	
108	(1)	Use of red or white lights	---	
109	---	Parking light (As amended by GSR 589(E))	---	
110	---	Lamps three-wheelers (As amended by GSR 589(E))	---	
111	---	Prohibition of spotlights etc.	---	
112	---	Exhaust gases	---	
113	---	Location of exhaust pipes	---	
115	(1), (2)(b) & (12)	Emission of smoke, vapour, etc. from motor vehicle	---	
117	(1) & (2)	Speedometer	---	#
119	(1) & (2)	Horn	Performance Installation IS:1884-1993 AIS:014/2001 18.03.99 01.01.03	
120	(1) (2)	Silencers 3 W (above 175 cc) Limit: 80 dB (A)	IS:3028-1988 MoRTH Notd. 111(E) dt. 10.02.04 w.e.f. 01.04.2005	NH
122	(1) & (2)	Embossment of the Chassis Number & Engine Number and date of manufacture	Ref: Table 11 of the Brief Technical Specifications	
124	Refer ANNEXURE-IA	Safety standards of components as applicable	S. O. 1365(E) dt. 13.12.2004 Notified dates	
125	(1) & (2)	Rear View Mirror	Specifications Installation AIS:001/2001 AIS:002/2001 01.05.03	
Engine Power				

AUTHORISED SIGNATORY,

Rashmi
Mrs. RASHMI URDHWARSHI,
DEPUTY DIRECTOR,
APEX CELL, ARAI, PUNE.



Shrikant R. Marathe
SHRIKANT R. MARATHE,
DIRECTOR,
ARAI, PUNE. Page 2 of 3

Emission Test Report No	TA-2005(Bharat Stage II)ELTR/2004-2005H202 dt. 06.10.2005	Hakkat 01 Diesel Goods Carrier
	TA-2005(Bharat Stage II)ELTR/2004-2005H202 dt. 04.03.2005	GL 400 II A engine-MICO FIP

Shrikant R. Marathe
9-9 a





ANNEXURE-IA

To

CMVR CERTIFICATE No: ARAI/CMVR/1163B(1365, 589)/2009-016 dated: 12th February 2009.

Rule 124 (1) Sr. No.	Particulars	Compliance Verified for	3 Wheelers		
			13 Dec '04	01 Apr '05	
1.	Automobile Lamps	AIS-034/2004	—	✓	
2.	Hydraulic Brake Hose	IS:7079-1995	✓	—	
3.	Hydraulic Brake Fluid	IS:3884-1986	✓	—	
18.	Tell Tale symbols and control	IS:14413-1996	✓	—	
21.	EMip	AIS-004/1999	✓	—	
23.	Gradeability	AIS-003/1999	✓	—	
24.	Lighting and Light Signalling Devices	AIS-009/2001	✓	—	
25.	Fuel Tank	Non-Plastic	IS:14681-1999	—	✓
31.	Fuel Consumption (On Driving Cycle)	Carbon Balance Method	—	✓	
32.	Performance Test Requirements for Lighting / Signalling Devices	AIS-010/2004	—	✓	
Compliance to additional requirements vide S.O. 1431(E) dt. 20.08.2007 for 3 wheelers w.e.f. 01.04.2008					
43.	Wheel rims	AIS:073-2005	—	✓	
44.	Protective devices	AIS:074-2005	—	✓	

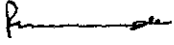
ANNEXURE-II

Conformity of Production (CoP) requirements:


Production Quantity (Total of base models & variants produced)	CoP Requirements
If less than 250 in any consecutive period of six months in a year	Once in a year
If above 250 per six months or less than 10,000 in a year	Once in a year
If above 10,000 in a year or less than 75,000 per six months	Once in every six months
If above 75,000 per six months	Once every three months

Ref: Notifications GSR 400(E) dt. 31-05-2002, GSR 720(E) dt. 10-09-2003 & MoST/CMVR/TAP-116/116.

AUTHORISED SIGNATORY,


Mrs. RASHMI URDHWARESHE,
DEPUTY DIRECTOR,
APEX CELL, ARAI, PUNE.




SHRIKANT R. MARATHE,
DIRECTOR.,
ARAI, PUNE. Page 3 of 3

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ARAI/CMVR/ 2009-016
Table 7 of AIS:007 (Revision 3)

MFR
12 FEB 2009

BRIEF TECHNICAL SPECIFICATIONS FOR MOTOR VEHICLES

Manufacturer's name and address	M/s. Hakikat Auto industries Rajkot Bhavnagar High Way, Chavand- 365435, Dist. Amreli, Gujarat
Importer's name and address (in case of CBU)	
Country of origin, if imported	
Vehicle data	
Basic model	Hakikat D-1 Diesel 3 Wheeler Load Carrier
Type / Description	Goods Carrier
Category of the vehicle (as per AIS:053)	L5N
Variant(s)	Hakikat D-1 Diesel 3 Wheeler Load Carrier Lw
Type / Description	Goods Carrier
Category of variant(s) (as per AIS:053)	L5N
Engine	
Make and Country of origin, if imported	
Model	GL-400 II A
Type	Direct Injection
Bore x stroke, mm	82 x 68
No. of cylinders	1
Displacement	395 cc
Compression ratio	18:1
Max. Engine output, kW @ rpm	5.51 kw @ 3600 rpm as per Doc. (MOST/CMVR/TAP/115/116)
Max. Torque, Nm @ rpm	16.7 Nm at (2200-2800 rpm)
Air cleaner type	Dry
Clutch	
Type	Multi Plate, Wet Type
Gear box	
Make & model	M/s. Royal Enfield India Ltd.
Type	Manual
No. of gears	4 Forward & 1 Reverse
Gear ratio	
	2.778:1
1 st	1.842:1
2 nd	1.363:1
3 rd	1.000:1
4 th	N.A.
5 th	N.A.
6 th	2.778:1
Reverse	
Drive Axle (Front / Rear / All)	Front
Front axle ratio	Dead Axle 7.47:1
Rear axle ratio	Differential Type 1.36 :1
Steering	
Type / Description	Handle Bar Type
Steering wheel diameter, mm	50
Ratio	3000 mm
Frame	
Long member size, mm	Heavy Duties Pipe of dia 42
Number of cross members	ISA 50.50.5 and 50 x 6 flat of M.S.
Suspension	
Type / Description	
Spring	2 Nos Helical coil spring & 1 no Leafspring (main)

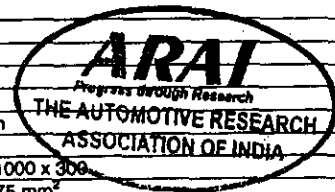
Manufacturer : M/s. Hakikat Auto Industries	Document No : HA/ARAI/2008/001	Test Agency : ARAI	Cert No :
Signature <i>[Signature]</i>		Signature <i>[Signature]</i>	
Name : Mr. K.N.Shah	Sheet No	Name Mrs. RASHMI URDWARSHHE	
Designation : Proprietor	Date : 24/12/08	Designation DEPUTY DIRECTOR	Date of Issue PEX CELL Page 4 of 2

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ARAI/CMVR/ 2009-016 12 FEB 2009
Table 7 of AIS:007 (Revision 3)

Anti-roll bar	N.A.
Shock absorbers	Hydraulic with concentric coil springs 2 nos.
Brake	
Service brake (Brief description)	Hydraulic, dual circuit, TMC operated by right foot
Auto Slack Adjuster Fitted (Yes / No / Optional)	
ABS Fitted (Yes / No / Optional)	No.
Front (Disc / Drum)	Disc
Rear (Disc / Drum)	Drum
Total braking area, cm ²	557.2 cm ²
Parking brake	Hand Operated Mechanical acting at rear wheel
Secondary brake	N.A.
Wheels and tyres	
Wheel rim size	Front: 1 no.1.85"X19",Rear: 2 nos. 4.4"X14"
Tyre size designation including ply rating	Front 1 no. 3.25 x 19 (4PR) Rear 5.20 x 14 (6PR)
Speed index	
Load index / Load rating	
Tyre Type (Radial / Cross / Tube / Tubeless)	Tube,Cross
Laden Tyre pressure (front & rear), kg/cm ²	Front 32 psi (2.8 kg/cm ²) Rear 30 psi (3.5 kg/cm ²)
Electrical system	
System voltage, V	12 V
Battery rating, Ah	9 Ah
Wiper motor	N.A.
Wiping system (Brief description)	
Fuel tank	
Material	Mild Steel
Capacity, l	Capacity 14 liters
Dimensions	
Wheel base, mm	2110
Overall width, mm	1370
Overall length, mm	3162
Overall height, mm	1100
Front track, mm	N.A.
Rear track, mm	1255mm
Min. ground clearance, mm	190
Cargo box dimensions, mm	1500 x 1000 x 300
Load body platform area	14,27,875 mm ²
Weights	
	Basic Variant
Maximum GVW, kg (for rigid vehicles)	960 700
Maximum GCW, kg (for articulated / combination vehicles)	N.A. N.A.
Maximum FAW, kg	215 200
Maximum RAW, kg	745 500
Kerb weight with 90% fuel (with spare wheel , tools, etc.), kg	430 430
Maximum gradeability in 1 st gear	7 deg
Seating	
Seating capacity	1
Sketch showing seating layout with dimensions	Drp. No. 1



Manufacturer : M/s. Hakikat Auto Industries	Document No : HA/ARAI/2008/001	Test Agency :ARAI	Cert No : 12
Signature <i>[Signature]</i>		Signature <i>[Signature]</i>	
Name : Mr. K.N.Shah	Sheet No	Name Mrs. RASHMI URDHWANSHI	
Designation : Proprietor	Date : 24/12/08	Designation DEPUTY DIRECTOR	Date of Issue EX CELL, ARAI, PUNE

seharan 20/12/08



ARAI/CMVR: 2009-016
Table 11 of AIS:007 (Revision-3)

12 FEB 2009

Details of location of Chassis number and code for month and year of manufacture as per rule 122 of CMVR.

Name of the Vehicle Manufacturer & Address :	M/s. Hakikat Auto Industries Rajkot-Bhavnagar High Way, At- Chavand-365435, Dist. Amreli Gujarat
Name of the basic model :	Hakikat D-1 Diesel 3 Wheeler Load Carrier
Name of Variants, if any :	Hakikat D-1 Diesel 3 Wheeler Load Carrier LW
Place of Embossing or etching the Chassis Number (Vehicle Identification Number). Supporting details by drawing or pictures may be provided if necessary.	Punched on chassis front side of right side member on outer surface

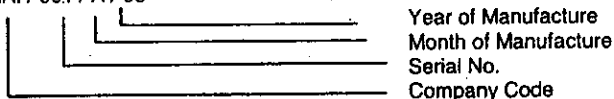
Code for month and year of production:

Code for month of production:		Code for year of production:	
Month	Code	Year	Code
January	A	2008	08
February	B	2009	09
March	C	2010	10
April	D	2011	11
May	E	2012	12
June	F	2013	-
July	G	2014	-
August	H	2015	-
September	J	2016	-
October	K	-	-
November	L	-	-
December	M	2099	99

Position of the code for month of production in the Chassis number :	Seven digit from left
Position of the code for year of production in the Chassis number :	8 th and 9 th digit from left.
Height of the Chassis number (Vehicle Identification Number) :	6 mm

Example of Engine No. :-

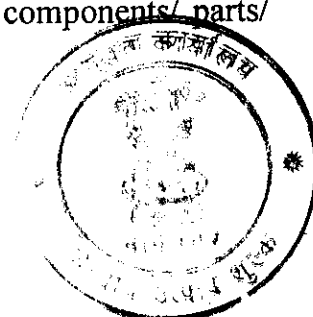
Example of Chassis No. (Vehicle Identification Number) with Month & Year of Manufactur :- HAI / 001 / A / 08



Manufacturer : M/s. Hakikat Auto Industries	Document No : HAI/ARAI/2008/001	Test Agency : ARAI	Cert No :
Signature <i>[Signature]</i>	Sheet No	Name Mrs. RASHMI URSWARSHI	Designation DEPUTY DIRECTOR
Name : Mr. K.N.Shah	Date : 24/12/08	Date of Issue	EX-CELL, ARAI PUNE
Designation : Proprietor			

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4.3. A perusal of the above certificate issued by ARAI, Pune reveals that it contains the details of base model supplied by vehicle manufacturer to them. It also contains the details of diesel engine to be fitted in Chhakkdo Rickshaw. The certificate reveals that the diesel engine to be fitted in Chhakkdo rickshaw is GL 400 II A manufactured by M/s. Greaves Cotton Ltd. It is further stipulated that "it is the vehicle manufacturers responsibility to ensure fitment of same components/ parts/ assemblies etc. before submission of the vehicle for registration. Thus, from the conditions listed in the certificate granted by ARAI, it is evident that the vehicle manufacturer has to use the same components/ parts/ assemblies etc. prescribed in the certificate issued by ARAI.



4.4. Based on the certificate issued by ARAI, Pune, the concerned state Transport Commissioner recommends the said model for registration to all RTOs/ARTOs in the state. On the basis of the said certificate issued by Joint Director of Transport, Gujarat State, Gandhinagar, all the RTOs/ARTOs register the vehicles with the maker's name as "HAKIKAT".

4.5. **Declaration of production volume to ARAI, Pune by Chhakkdo rickshaw manufacturers.**

4.5.1 All Vehicle manufacturers who possess the above mentioned certificates have to declare their production volume to ARAI, Pune on regular basis. The purpose of this declaration is to enable the test agency to carry out conformity of Production (CoP) as per the specified periodicity under the law to verify compliance to emission performance. ARAI, Pune vide their letter F.No. ARAI/HMR/Govt-Corr/09-10/11 dated 11/12/09 have informed that M/s. Hakikat have submitted/ furnished the details of production of Chhakkdo Rickshaws by them in their half yearly returns to them for the period from 2005-06 to 2008-09 as under:

Year	1 st half	2 nd half
2005-06	----	----
2006-07	48	72
2007-08	-----	-----
2008-09	-----	-----

4.5.2. A perusal of the above figures reveals that M/s. Hakikat have reported production figures of 120 during the year 2006-07 to ARAI, Pune. They have shown clearances of 228 Chhakkdo rickshaws during the period from Oct. 2005 to Sept. 2009 in the ER-1 returns filed with the Central Excise department. From the above, it is evident that they have not submitted correct figures to ARAI, Pune. As against the manufacture and clearance of 582 Chhakkdo Rickshaws registered with different RTOs during the period from Oct. 2005 to Sept. 2009, they have reported manufacture of 228 Chhakkdo rickshaws to Central Excise department during the period from 2005-06 to 2008-09. The comparison of figures submitted to ARAI, Pune, figures of production mentioned in ER-1 returns and actual quantity of Chhakkdo rickshaws manufactured and cleared as per RTO details reveals that they have not disclosed correct figures to the Central Excise department and ARAI, Pune. The figures of production and clearance submitted to Central Excise department and ARAI, Pune are far lower than the actual quantity of vehicles manufactured and cleared by them. From the above, it is evident that M/s. Hakikat have been manipulating the production figures and have submitted different figures to different agencies with malafide intentions.

5. **Visit to the premises of M/s. Hakikat Auto Industries**

5.1 Accordingly, the officers of DGCEI, AZU, Ahmedabad as well as officers from local Central Excise offices visited and searched the factory premises of M/s. Hakikat on 06/10/2009 in the presence of two panchas and Shri Karimbhai Nanjibhai Shah, Proprietor of the M/s. Hakikat. During the course of panchnama, it was noticed that one Chhakkdo Rickshaw was lying in the factory premises in ready to dispatch condition and that "Hakikat" was painted on the same. On being asked about the same, Shri Karimbhai Nanjibhai Shah, Proprietor of the M/s. Hakikat in the presence of the panchas stated that their band name is "Hakikat". During the course of panchnama proceedings, various incriminating documents were resumed as per Annexure to the said panchnama.

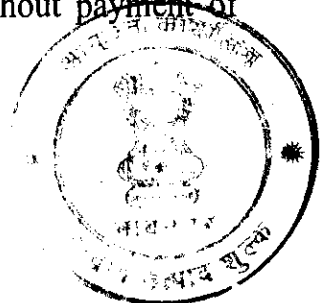


5.2 From scrutiny of the documents resumed during the course of panchnama dated 06/10/2009, it was revealed that documents enlisted at Sr. No. 17, 28 and 29 of Annexure to the said panchnama are the private records of M/s. Hakikat containing the details such as Chassis No., Name of the Buyer, Engine No. Village, Taluka, District in respect of "Chhakkdo Rickshaws" which were actually manufactured and cleared by them. On scrutiny of the said registers and on comparison of the entries made in the said registers with the Central Excise invoices issued by M/s. Hakikat, it is noticed that Central Excise Invoices in respect of some of the Chhakkdo Rickshaws manufactured and cleared by M/s. Hakikat have not been issued. The details of Chhakkdo Rickshaws manufactured and cleared without payment of duties and registered with different RTOs and mentioned in the said registers are as under :-

Sr. No.	Documents	No. of "Chhakkdo Rickshaws" cleared without payment of duty	Remarks
01.	Register at Sr. No. 17	123	Page Nos. 37 to 56 contains details such as Chassis numbers, engine nos. name of the buyers, village etc.
02.	Register at Sr. No. 29	99	Page Nos. 45 to 51 contains details such as Chassis numbers, engine nos. name of the buyers, village etc.
05.	Register at Sr. No. 28	76	Page No. 55 to 59 contains details such as Chassis numbers, engine nos. name of the buyers, village etc.

5.3. A statement has been prepared on the basis of the above registers showing the details of Chhakkdo rickshaws manufactured and cleared without payment of C. Ex. and other duties, without issuing valid C. Ex. invoices and without accounting the same in the statutory records by M/s. Hakikat and the same is annexed as Annexure "B" to the show cause notice.

5.4 From the above, it was noticed that the above private registers indicated manufacturing and clandestine removal of 298 nos. of three wheeled Auto Rickshaws (Chhakkdo Rickshaws) by M/s. Hakikat during the period from year 2006 to year 2009. The statement showing details of all the Chhakkdo rickshaws manufactured, cleared without payment of Central Excise and other duties and registered with different RTOs as mentioned in the register listed at Sr. No. 17, 28 and 29 of Annexure to the panchnama dated 06/10/09 drawn at the factory premises of M/s. Hakikat is annexed as Annexure 'B' to the show cause notice. All the Chhakkdo Rickshaws mentioned in "Annexure 'B'" to SCN are registered with RTO Bhavnagar, Rajkot, Surendranagar and Amreli. The statement showing total number of Chhakkdo Rickshaws manufactured, cleared and registered with different RTOs (maker's name as "Hakikat") is prepared on the basis of details received from different RTOs and the same is attached as Annexure "A" to the show cause notice. All Chhakkdo Rickshaw shown in Annexure "B" are registered with different RTOs and corresponding serial nos. of each Chhakkdo rickshaw of Annexure "A" (RTO list) is also shown in Annexure "B". Thus it is crystal clear that all 298 Chhakkdo Rickshaws manufactured by M/s. Hakikat were cleared by them without preparing Central Excise invoices and without accounting the same in their statutory records and without payment of Central Excise and other duties.



5.5. For better understanding, the detailed explanation of page No. 49 of Register mentioned at Sr. No. 17 of Annexure to the panchnama dated 06/10/09 are shown hereunder:

The scanned copies of the page No. 49 of register listed at Sr. No.17 of Annexure "A" to the panchnama dated 06/10/09 is reproduced below :

क्र.सं.	अंश	आदिवासी	नाम	वांछुकी	वर्ग
१२५/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१२७/१०६	१०६	१०६	हजिथा	वाण	मावनावा
१२८/१०६	१०६	१०६	हजिथा	वाण	मावनावा
१२९/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३०/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३१/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३२/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३३/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३४/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३५/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३६/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३७/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३८/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१३९/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४०/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४१/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४२/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४३/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४४/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४५/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४६/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४७/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४८/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१४९/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा
१५०/१०६	१०६	१०६	जोखडी	मोडुवा	मावनावा



5.6 The above page No. 49 of Register listed at Sr. No. 17 of Annexure to the panchnama dated 06/10/09 shows the details of Thirteen Chhakkdo Rickshaws, such as Chassis No., Engine No. Names of the buyer, Village, Taluka, District and Remarks. On comparison of the said Chassis No. and Engine No. with the invoices issued by M/s. Hakikat, it is noticed that none of the invoices issued contains the Chassis No. and Engine Nos. mentioned in the above said page. In fact, vehicles with Chassis No. and engine No. mentioned in the said page are registered with RTO, Bhavnagar and data sorted from details received from various RTOs are attached as Annexure "A" with the SCN and the said Chhakkdo Rickshaws bearing Chassis nos. 126/06, 127/06, 128/06, 129/06, 130/06, 131/06, 132/06, 133/06, 134/06, 135/06, 136/06, 137/06 and 138/06 are mentioned at Sr. No. 113, 114, 115, 116, 110, 111, 112, 117, 122, 118, 119, 121 and 109 respectively of the said Annexure "A". From the above, it is crystal clear that all the vehicles mentioned in the registers mentioned at Sr. No. 17, 28 and 29 of Annexure to the panchnama dated 06/10/09 are manufactured by M/s. Hakikat and some of them are cleared on payment of Central Excise and other duties whereas some of them are also cleared without payment of duties, without accounting the same in their statutory records as detailed in Annexure "B" to the Show cause notice and they all are registered with RTO Bhavnagar, Rajkot, Jamnagar, Surendranagar and Amreli. As per Annexure "B" enclosed with the notice, total 298 Chhakkdo rickshaws were manufactured and cleared by M/s. Hakikat without payment of Central Excise and other duties, without accounting the same in their statutory records.

5.7.1 Further, during the course of panchnama at the factory premises of M/s. Hakikat, an invoice book was recovered and listed at Sr. No. 12 of Annexure to the panchnama dated 06/10/2009. The scanned copy of one of the invoice book is reproduced below:



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HAKIKAT AUTO INDUSTRIES		SUBJECT TO EXCISE REGISTRATION		Original For Buyer Write		
C.Ex Regd. (B.C.C.) No. A-14PS 5385 Q-24000 Rajkot, Bhavnagar Road, CHAVAND. (Dist. Anand) Ph. (02793) 245055		RECALL INVOICE		Duplicate For Transport Print		
Manufacturer of HAKIKAT Diesel Auto Rickshaw delivery approved by A.R.A.L., Poona		Invoice for removal of Excisable goods from factory or warehouse under Rule 11 of the C.Ex. Rules-2002		Trip Date: 01.08.2007 Date & Time of Invoice		
Name of Excisable Goods: MOTOR VEHICLE		Range: Kambhar 05		Date & Time of Removal of Goods		
Commodity: Auto Rickshaw		Division: Junagadh 03		Self Authentication: HAKIKAT Auto Ind		
Name and Address of consignee		Commissionerate: Bhavnagar 77		INVOICE No.		
VILLAGE: --		DIST: --		INVOICE BOOK No.		
Description of Goods and Specification	Identification Marks	Total Qty. NGS	Assessable Value Per Unit	Rate of duty	Total Ex. duty Payable	Total Assessable Value Rs.
Three Wheeler Diesel Rickshaw Model No. Delivery van GTS No. 2701.2120 HP - 75	ENGINE No. CHASSIS NO. HAW	ONE (1)	51000/-	BASIC Duty 5% Auto Cess 0.125% Edu. Cess 2%	25500/- 6125/- 10275/- 41700/-	51000/- 10275/- 41700/-
Amount Ruppes (in words)	THOUSAND	HUNDRED	TENTHS	UNITS		
51700/-	51	00	00	00		
TOTAL					41700/-	41700/-
					VAT 12.50%	52125/-
					C.S.T. 2%	8340/-
					TOTAL	55262/-

HAKIKAT Auto Industries
Signature of the Authorised

5.7.2 A careful scrutiny of the said invoice book reveals that around 68 invoices copies are already utilized and 32 invoices are still lying in the said book. The said invoices doesn't bear any serial no. and also the same are also not pre authenticated as required under rule 11 of the Central Excise Rules, 2002. Hence, it is evident that such invoices are utilized by M/s. Hakikat for getting their vehicle registered with RTO authorities, however no Central Excise and other duties are paid at the time of issue of such fake invoices.

5.8. Also, during the course of panchnama at the factory premises of M/s. Hakikat, a full scale book was recovered and listed at Sr. No. 32 of Annexure "A" to the panchnama dated 06/10/2009. A scrutiny of the said full scale book reveals that M/s. Hakikat are selling their vehicles much above the declared price in their C.Ex. invoices and thus are undervaluing their finished goods with an intent to evade payment of Central Excise and other duties. The scanned copy of page no. 36 of the said full scale book is reproduced below:

