

CENTURY ENKA LIMITED

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MUMBAI OFFICE
INDUSTRY HOUSE, 3RD FLOOR,
159, CHURCHGATE RECLAMATION,
MUMBAI-400 020.

Sub : **Appeal before Appellate Tribunal (CESTAT) Mumbai in the matter of denying the applicability of notification No.6/2000-CE dated 01.03.2000 by the Commissioner of Central Excise and raised demand of Rs.22927 lacs plus interest thereon and penalty equivalent to demand amount**

This is to inform that Hon'ble Appellate Tribunal (CESTAT) Mumbai has pronounced the order in the aforesaid appeal of the Company on 20th December, 2019, wherein it has ruled that the Company is not entitled to availment of Notification No.6/2000-CE dated 01.03.2000, which entitled for specific excise duty on textured yarn manufactured at its unit at MAHAD-Konkan Synthetic Fibers (Processed Yarn Unit) and remanded the matter back to department for redetermination of assessable value of yarn sold and short payment of excise duty after considering the admissibility of CENVAT credit and admissible deduction such as rebate on sales, discount, textile committee cess, etc.

No provision has been made in the books of account as the Company, backed by legal opinions, believes that it has a good case in this matter and is preferring an appeal against the CESTAT order.

On discussions with legal advisor, after giving effect to the directions of CESTAT by the Commissioner, the amount of Central Excise duty demand may come down to around the amount deposited with the department (i.e. Rs.700 lacs) at the time of admission of the Appeal. The liability of interest and penalty will depend on requantification of duty demand.