

OFFICE OF THE COMMISSIONER OF CUSTOMS
CUSTOM HOUSE, COCHIN – 682 009

TRADE FACILITY NO.12/2005

Subject: Textiles Committee Cess – facility for payment through State Bank of India,
Cochin Port Trust Branch.

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Attention of the trade and public is invited to the two letters dated 8th August, 2005 and 10th August, 2005 from the Textiles Committee on the above subject and enclosed herewith. It has been informed that a Current Account, No. **01000060114** has been opened in the Cochin Port Trust Branch of the State Bank of India for the convenience of the exporters of textiles and textile machinery through Cochin port, to pay the cess leviable on the same. All such exporters are directed to utilise this facility.

F.No.C1/60/04-TU

Dated 1st September, 2005.

Sd/-
(M Vinod Kumar)
Commissioner of Customs

Copy to:

Commissioner's unit /Addl. Commissioner/Jt. Commissioners /All D.Cs & A.Cs/ C.E./ All Appraisers / Docks / CFS's (Port & Petta) / Superintendent (G) / SIB / ACC / S D / Guard File.
All concerned officers are hereby informed that hereinafter, the Textiles Committee cess will be collected in the manner prescribed in the enclosed letters. Compliance of these instructions shall be ensured. No separate S.O. is being issued.

As per mailing list of the Statistics & Publications Section.

No.55/CESS/2004-05/AC0

The Commissioner of Customs,
Custom House,
Central Revenue Building,
I.S. Press Road, Cochin-18.

Sub: Collection of Cess under Textiles Committee Act and Cess Rules from manufacturers/ exporters of textiles under the Textiles Committee Act and Cess Rules - Reg.

Sir,

The Textiles Committee is a statutory body under Ministry of Textiles, Govt. of India. In exercise of the powers conferred under Section 5A(1) of the Textiles Committee Act, 1963 as amended in 1973, the Committee has been empowered to levy and collect a cess on quantity of textiles and textile machinery manufactured in India at a specified rate notified by the Government Official Gazette. The present rate of cess is 0.05%.

2. All types of textiles & textile machinery are covered within the ambit of the Act for collection of the above cess which is in the nature of duty of excise except the textiles manufactured from out of Handloom or Powerloom Industry. In this regard, the Proviso of Section 5A(1) of Textiles Committee Act is given below:

Proviso of Section 5A(1)

provided that no such cess be levied on textiles manufactured from out of handloom or powerloom industry

The definitions of **Handloom Industries and powerloom Industries** as per Section 2(ca) and Section 2(db) of the Textiles Committee Act respectively are given hereunder

Section 3(ca) : Handloom Industries" has the meaning assigned to it in the Khadi and Other 'Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953.

Section 2(db) : 'Powerloom Industries' means an Industry in which a manufacturer of textiles has, at any time during the period fixed by the Committee under clauses (a) of sub-section (5) of Section 5A, not more than fifty powerloom (without any spinning plants) in the factory or 'Factories owned controlled or managed by him..

3. **The above exemption is restricted upto loom stage only.** If it is further processed, it attracts Cess, However, this exemption is not applicable in case of manufacturers/exporters of readymade garment/hosiery items.

4. In order to facilitate the collection of Cess from a large number of exporters, the Committee has been collecting the cess on FOB value of each Shipping Bill before the release of quota by the Apparel Export Promotion Council (.AEPC). The quota system has been dispensed with w.e.f 1.1.2005. However, no exemption has been provided in terms of section 5E of the Textiles Committee Act, to these manufacturers/ exporters from payment of cess. Therefore, the Textiles Committee is to continue collecting the, cess from such merchant exporters/manufacturers during post quota regime i.e, from 1.1.2005 onwards.

5. In the above circumstances, I earnestly request you to instruct the readymade garments/hosiery manufacturers/exporters to approach the nearest office of the Textiles Committee to pay the cess before clearance of the shipping bill/document by the Custom House. This will enable the Committee for smooth collection of cess which is a Central Govt. Revenue, meant for Consolidated Fund of India. In order to enable you to instruct the

exporters/manufacturers of hosiery/RMG, enclosed please find a few copies of notices which may be pasted on your Notice Board. A copy of Textiles Committee Act & Rules are also enclosed herewith.

Yours faithfully,

(DR. RAJIV AGGARWAL, IRS)
SECRETARY
TEXTILES COMMITTEE

Encl. As above

No.55/CESS/2004-05/AC0

The President,
The Cochin Custom House Agents Association
I.G.Road, W/Island,
Cochin-9.

Sub: Arrangement for payment of Textiles Committee Cess through State Bank of India, Cochin Port Trust Branch.

This has reference to your letter No.28/04/05/F dtd.25.2.2005 regarding suitable arrangements for payment of Textiles Committee Cess by the textile exporters at Cochin. Further, the reference of D.O.No.A1/299/2005/T dated 3.6.2005 of Dr.Jacob Thomas, IAS, Chairman, Cochin Port Trust sent to the Secretary to the Govt. of India, Ministry of Textiles, New Delhi is also invited wherein three alternative suggestions were mentioned for payment of Cess by the exporters at Cochin.

On examination of the options mentined in the above letter of Cochin Port Trust, it has been decided that the Textiles Committee will open a current account without withdrawal facility in State Bank of India Cochin in order to have the facility of payment of Textiles Committee Cess on textiles and clothing by the exporters. Accordingly, a current account has already ben opened in State Bank of India, Cochin Port Trust branch, Willingdon Island, Cochin, Phone-2669557, 2666318. The **Account No. is 01000060114.**

In order to have the facility .of payment .of Cess on textiles and clothings, the concerned exporters may be advised to follow the systems Indicated below:

- i) The exporters shall pay their cess in cash to the Bank;
- ii) They should produce the cess paid document of the Bank i.e. the copy of counterfoit of payment, etc. along with copy of concerned shipping bill/Invoice to the Customs Deptt. for the purpose .of getting clearance.
- iii) The exporters should also submit a copy .of the same mentioned (at Sr.No.ii) to the Regional Office of Textiles Committee, Kannur on a quarterly basis for the purpose .of verification of Cess payment and record. It may please be noted that this special facility of payment of cess has been provided for the exporters of Cochin only. You are requested to kindly circulate the above among the textile exporters to avail this facility.

Yours faithfully,

(G.S.PANDEY)
CHIEF ACCOUNTS OFFICER

Copy to :

- i) The Chairman, : For his kind information

Cochin Port Trust,
W/Island, Cochin-9.

- ii) The Commissioner of Customs, : Textiles Committee Cess is payable by the
O/o Commissioner of Customs, manufacturers/ exporters of textiles also as per Textiles
Custom House, Cochin-9. Committee Act, 1963 as amended in1973. In this
Phone: 2668061/62. regard, it may be stated that a special arrangement of
payment of Cess by the exporters of textiles,
Cochin only has been made through State bank of India,
Cochin Port Trust branch, Cochin.

He is requested to kindly consider the proof of Cess
payment through State Bank of India as stated above while

the exporters will visit your office for clearance of their documents from your department since Cess is a Central government Revenue and it is remitted to the Consolidated Fund of India.

Yours faithfully,

(G.S.PANDEY)
CHIEF ACCOUNTS OFFICER