TEXTILES COMMITTEE
Ministry of Textiles, Government of India

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Textiles Committee (Cess) Rules

NOTIFICATION

New Delhi, the 31st March 1975

G.S.R.172(E).- Whereas the draft of the Textiles Committee (Cess) Rules, 1975 was published as required by sub-section (1) of Section 22 of the Textiles Committee Act, 1963 (41 of 1963), at pages 281-284 of the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) dated the 25th February, 1975, under the notification of the Government of India in the Ministry of Commerce No.G.S.R.55(E), dated the 25th February, 1975 inviting objections and suggestions from all persons likely to be affected thereby, till the expiry of a period of thirty days from the date of publication of the said notification in the Official Gazette;

And whereas the Gazette was made available to the public on the 4th March; 1975;

And whereas objections and suggestion received from the public on the said draft have been considered by the Central Government;

Now, therefore, in exercise of the powers conferred by section 22 of the said Act, the Central Government hereby makes the following rules, namely:-

1. **Short title & commencement.-** (1) These rules may be called the Textile Committee (Cess) Rules, 1975,(2) They shall come into force on the 1st day of April, 1975.
2. **Definitions.-** In these rules unless the context otherwise requires-
   (a) "Act means Textiles Committee Act; 1963 (41 of 1963)
   (b) "Assessing Officer" means an officer appointed by the Committee for the purpose of assessing the amount of cess;
   (c) "Cess" means the duty of excise leviable under sub-section (1) of Section 5A;
   (d) "form" means a form annexed to these rules
   (e) "manufacturer" means the manufacturer referred to in sub-section (3) of Section 5A;
   (f) "section" means a section of the Act.
3. **Maintenance of registers.**- Every manufacturer shall maintain a register of production indicating therein the total quantity of textiles or textile machinery manufactured by him during a month, the quantity (if any) used by him for the manufacturer of another commodity, the quantity removed on payment of duty under the central Excise and salt Act 1944 (1 of 1944), the quantity removed for export without payment of such duty, the total value ad-valorem and the cess payable thereon at the rate for the time being in force.
4. **Submission of month returns-**
   1. Every manufacturer shall furnish to the Committee in duplicate, a return in Form A or in Form B, as the case may be, for each month duly signed by him or any other person authorized by him in this behalf so as to reach the Committee not later than fifteen days after the expiry of the month to which the return relates, along with a certified copy of the returns submitted to the central excise authorities under rule 54 of the Central Excise Rules, 1944 for the relevant month.
   2. A return referred to in sub-rule (1) shall be sent by registered post with acknowledgement due.
5. **Revision of returns-** If the manufacturer after having furnished the returns discovers any of commission or wrong statement therein, he may revise the return at any time before he receives the notice of demand from the Committee.
6. **Assessing Officer of cess.-** (1) The Assessing Officer shall assess the amount of the cess payable by each manufacturer for each quarters on the basis of the data furnished in monthly returns referred to in rule 4.
7. **Notice of demand etc.-**
   (1) The Committee shall issue a notice of demand to the manufacturer for payment of the cess assessed under rule 6.
   (2) The manufacturer shall pay to the Committee the amount of cess as demanded by a crossed cheque if he is stationed in Bombay and by crossed Demand Draft in case he is stationed elsewhere, within one month from the date on which he receives such notice from the Committee.
   (3) For the purpose of encashment of the crossed cheques and crossed Demand Draft received under sub-rule (2) the Committee shall open a separate account in a Scheduled Bank.
8. **Assessment when return is not furnished or furnished incorrectly etc.-** If any manufacturer fails to furnish the return referred to in rule 4 within the period specified therein, or furnishes a return which the Committee has reason to believe is incorrect or defective, the Assessing Officer may, after giving the manufacturer an opportunity of being heard, assess the amount of cess on the basis of figures obtained from the Central Excise Department or on the basis of the average of the cess levied during the previous two quarters immediately proceeding the quarters for which assessment is being made.
9. **Refund of cess.-**
   (1) Any amount of cess paid in excess of the cess payable shall, on an application made by the manufacturer to the Committee within a period of one year from the date of such payment, be refunded to him.
   (2) The claim for refund preferred within the period specified in sub-rule (1) shall be admitted by the Committee after due verification of the original credit.

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(3) The Committee shall send vouchers for the refund of the claims admitted in sub-rule(2), to the Central Government for payment from the Consolidated Fund of India.

10. **Recovery of cess short levied erroneously levied.-** When the cess has been short levied through inadvertence or otherwise, or when it is erroneously refunded; the manufacturer chargeable with the cess so short levied or to whom refund has been erroneously made on a notice of demand from the Committee made within one year from the date on which the cess has been paid, shall pay the deficiency or, as the case may be refund the amount paid to him in excess, within a month from the date of receipt of such notice.
11. **Right of the Committee to inspect the production records of the manufacturer.-**
(1) Every manufacturer shall permit the Assessing Officer or any other person authorized in this behalf by the Committee to inspect the accounts and records or production maintained by him for the purpose of verifying the monthly returns furnished by him.
(2) If as, a result of such inspection, any sum of money is found to be due to the central Government from the manufacturer by way of cess, the Committee shall, within three months of completion of the inspection, issue a notice of demand for the payment thereof within a month from the date of receipt of such notice.
12. **Remittance into the Reserve Bank of India.-** The proceeds of the cess shall, immediately after the encashment of the crossed cheques and crossed Demand Drafts received in that behalf, reduced by the cost of collection as determined by the Central Government be remitted by the Committee into the Reserve Bank of India for being credited to the Consolidated Fund of India.

Provision of the Textiles Committee Act & Cess Rules

- As per Section 5A(1) of the Textiles Committee Act, a Cess in the nature of excise duty has been imposed on all textiles and textile machinery manufactured in India.
- The percentage of Cess is 0.050% advalorem.
- The Cess levied under Sub Section (1) of Section 5A shall be in addition to any Cess or duty leviable on textiles or textile machinery under any other law, as per Section 5A(2).
- As per Section 5A(3) of the Act, the Cess shall have to be collected by Textiles Committee in accordance with the Rules framed in.
- As per Rule 4 of Cess Rules, it is obligatory on the part of every manufacturer of textiles and textile machinery to submit the returns in Form'A' or Form'B' as the case may be for assessment of Cess.
- As per Section 5E of the Act, by notification, the following categories of textile items have been exempted from payment of Cess leviable under Section 5 of the Act.
    - Rags and Chindies
    - All types of waste whatever description i.e. Yarn Waste, Hard Waste, Cotton Waste, Woolen Waste, Art-Silk Waste etc.
    - Samples of textiles.
- In case of default by the manufacturers, the amount of Cess arrears will be recovered as an arrear of land revenue through the Dist. Collector as per Section 5D of the Act.

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