



Government of India
Ministry of Textiles
OFFICE OF THE JUTE COMMISSIONER
Patsan Bhawan, CF Block, Action Area-1,
7th & 8th Floor, Newtown, Kolkata-700156

No. Jute(Mktg)/146/2023

Dated: 14-06-2024

To
The Director
All Jute Mills.

Sub: Policy for B-Twill allocation of jute bags.

Sir,

It may be mentioned that a draft policy was circulated vide this office letter no. Jute(Mktg)/135/2020-Rabi-21-22 dated 28.08.2023 inviting feedback and comments from all the stakeholders. A wider stakeholder consultation was held on 8th February 2024 with all the jute mills. Considering the feedback and comments, a Policy for B-Twill Allocation to be implemented from 1st July 2024 is enclosed for your information and necessary action.

Encl: As above.

Yours faithfully,


14/06/2024
(Moloy Chandan Chakraborty)
Jute Commissioner

Copy to:-
Shri Raghavendra Gupta,
Chairman,
Indian Jute Mills Association,
6, N.S.Road,
Kolkata- 700001.

Subject: Policy for B-Twill Allocation w.e.f. 1st July 2024

The policy for B-Twill allocation from the year 2018 onwards was based on a composite ratio i.e. the Production Based Value Ratio (PVBR) computed for each mill. The allocation policy of 2018 was as per the decision of CCEA; wherein a new mechanism for PCO allotment aimed at incentivizing the mills for better performance to be devised wherein the production efficiency, export and ability to sell in the private market shall be given due weightage in addition to the current criteria of installed capacity.

2. However, the data could not be updated over time and considering the difficulties being faced due to Covid lockdown and the pandemic, the allocation was being made based on installed sacking capacity of the mill.
3. Thereafter, a draft policy was circulated vide this office letter no. Jute(Mktg)/135/2020-Rabi-21-22 dated 28.08.2023 inviting feedback and comments from all the stakeholders. A review meeting was held with IJMA on 02.11.2023 wherein it was decided to obtain certain data from the mills. A wider stakeholder consultation was held on 8th February 2024 with all the jute mills. In response, a large number of representations and suggestions of varying nature representing a wide cross section of the industry were received in this office.
4. Considering the representations and suggestions received from various stakeholders and in compliance with the decision of CCEA, a parameter which incorporates the ability to sell in the private market, exports and production capacity of the mills i.e. "Annual Production Turnover" may be given weightage in allocation policy, which may be increased in a gradual manner. Further, the large number of suggestions received have been taken into account and care has been taken to judiciously examine each of them as to its ability to fit into the broad framework. Care has also been taken to ensure equity and fairness in the process within the broad parameters already indicated by the higher authorities. The suggestions relating to backlog definition were also examined and incorporated in the proposal.
5. The revised allocation criteria is as follows:
 - a) The Annual Production Turnover shall be calculated as follows:

Annual Production Turnover = Revenue from jute goods manufactured by the company from which all purchases of jute goods other than raw jute like the intermediate products, yarn, fabrics, bags, semi-processed jute goods, cloth etc. shall be deducted.

Annual production turnover will be based on the certificate from the Chartered Accountant considering the Annual Data of the jute mill. The format for providing the Annual Production Turnover data is attached at Annexure 1. The mill shall be responsible for the correctness of the Annual Production Turnover Data submitted by them.

o/o Jute Commissioner on receipt of any complaint or suo moto may initiate an enquiry into the correctness of the data submitted by the mill by calling for information under Section 9 of Jute and Jute Textiles Control Order, which may include but is not limited to the GST returns (monthly/quarterly/yearly) indicating the sales and purchase of jute goods, Production data, electricity bills and other documents as deemed necessary for conducting the investigation. If it is found at any stage that the mill has submitted false data on Annual Production Turnover, the mill shall be liable for action as per the provisions of Jute and Jute Textiles Control Order, 2016.

Jute Mills who do not submit the Annual Production Turnover data within the scheduled time shall be deemed to have zero Annual Production Turnover. No request for extension of deadline shall be entertained.

- b) The mills which have been enrolled with o/o Jute Commissioner for supply of B-Twill bags during or after the Financial Year for which the production turnover is being considered shall be allocated the orders on the basis of the Installed Sacking Capacity Ratio, as the data of production turnover may not be indicative of the production capacity of the mills during that year or the production turnover data may not be available.
- c) After consideration of such mills, the balance shall be distributed among the other mills on the basis of eligibility ratio, which shall be a weighted average of Installed Sacking Capacity Ratio and Annual Production Turnover Ratio. Since the policy is to take effect on 01.07.2024, the Annual Production Turnover for the Financial Year 2022-23 shall be considered for calculating Annual Production Turnover Ratio for considering the allocation from July 2024 onwards. The data of Annual Production Turnover shall be updated as detailed at point (d) below.

Installed Sacking Capacity Ratio = Installed Sacking Capacity of the Mill / (Sum of Installed Sacking Capacity of all the Mills)

Annual Production Turnover Ratio = Annual Production Turnover of the Mill / (Sum of Annual Production Turnover of all the Mills)

- d) Considering the impact of the allocation policy and to provide sufficient time to the jute mills for adapting to the new policy, weightage of Installed Sacking Capacity Ratio and the Annual Production Turnover Ratio shall be as follows:

S. No	Period	Weightage of Installed Sacking Capacity Ratio	Weightage of Annual Production Turnover Ratio	Financial Year for which Annual Production Turnover data is to be considered
1	1 st July 2024 to 30 th June 2025	75%	25%	FY 2022-23
2.	1 st July 2025 to 30 th June 2026	60%	40%	FY 2023-24
3.	1 st July 2026 to 30 th June 2027	50%	50%	FY 2024-25

- e) In case a unit has suffered lockdown or strike, pro-rata adjustment of production turnover may be done. Documentary evidence supporting the number of days of lockdown/strike is required to be furnished.
- f) Commitment to supply will have to be submitted by jute mills before the start of a season indicating their supply commitments for each month of the season.
- g) B-Twill allocation for a month shall not exceed the month's commitment to supply or installed monthly sacking capacity whichever is lower.
- h) The Installed Capacity of the mills shall be updated on a quarterly frequency based on the inspections done in each quarter on the request of the mills.

Inspections done in months	Request for Inspection for Quarter be submitted upto	Installed Capacity shall be revised w.e.f.
Jan – March	15 th March	1 st April
Apr – June	15 th June	1 st July
July – Sep	15 th September	1 st October
Oct – Dec	15 th December	1 st January

In case the request for inspection is received after the deadlines given in the table above, the inspection shall be carried out in the next quarter.

- i) The incentive and penalty for supply performance shall be on the basis of the backlog as a percentage of monthly installed capacity. The backlog for the purpose of this policy is defined as quantity for which PCSOs were issued up to more than one month before the date on which allocation is being considered and the goods have not been inspected and passed. e.g. if allocation is being considered for PCSOs to be issued on 5th June 2024, then the backlog is defined as the quantity for which PCSOs were issued up to 4th May 2024 and goods have not been inspected and passed up to 5th June 2024 as reported on Jute SMART portal. The backlog as a percentage of monthly installed sacking capacity shall be calculated and the penalty shall be imposed as follows:

	Backlog as percentage of Monthly Installed Sacking Capacity	Penalty imposed
1	Up to 25%	No penalty
2	More than 25% to 33%	Penalty for reduced allocation by 20% of usual allocation.
3	More than 33% to 50%	Penalty for reduced allocation by 40% of usual allocation.
4	More than 50% to 75%	Penalty for reduced allocation by 75% of usual allocation.
5	>75%	No allocation

The penalty deducted as above shall be distributed among the mills with backlog less than 5% of monthly installed sacking capacity.

- j) Incentive and penalty mechanism for regulatory compliance: After considering the points at (a) to (i) above, the resultant allocation shall be subject to performance of jute mills in regulatory compliance i.e. submission of the following returns by due date:

Return	Due date
Jute consumption and production report	Within 10 th of following month (to be submitted on Jute SMART)
Manpower and productivity report	Within 10 th of following month
Annual Operational and Performance Report and Annual Report of the company	By 15 th January of every year (at present AOPR and Annual Report of 2022-23 is due for some mills)
Annual Return of Installed Machinery	By 30 th April of every year
History sheet of the industrial unit	By 30 th April of every year
Information on payment of statutory dues to jute workers and prompt payment to jute farmers and balers	By 20 th of the following month.

The list of mills not complying with the above statutory returns shall be published by 20th of the month. In case of non-compliance, for orders of next month a penalty of 10% on the resultant allocation after considering points (a) to (i) above shall be imposed on the mill, until the compliance is done.

Such quantity shall be distributed among the compliant mills.

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No. Jute(Mktg)/146/2023

Date: 14-06-2024

To
The Director,
All Jute Mills.

Sub: Submission of information on Annual Production Turnover of FY 2022-23.

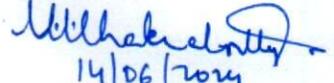
Sir,

This is with reference to the new policy on B-Twill allocation issued vide letter no. Jute(Mktg)/146/2023 dated 14-06-2024. For implementation of new policy for B-Twill allocation, your jute mill is hereby directed to submit Annual Production Turnover for the Financial Year 2022-23 as per the Annexure 1 of the policy, which has been attached herewith. After receiving this data and other inputs as mentioned in the policy, the percentage allocation for your mill shall be determined.

You are hereby directed under extant provisions of the Jute and Jute Textiles Control Order, 2016 to submit the Annual Production Turnover for the Financial Year 2022-23 to the O/o Jute Commissioner. The Annual Production Turnover certificate must be submitted to o/o Jute Commissioner by 21-06-2024.

Encl: As above

Yours faithfully,


14/06/2024
(Moloy Chandan Chakraborty)
Jute Commissioner

Annual Production Turnover for the Year (1st April 2022 to 31st March 2023)

Name of the Company	
Name of the Mill Unit	

Description	Amount (in INR)
Revenue from sale of jute goods (sale of raw jute if any must be excluded from this figure)	
Less: Purchase of jute goods other than raw jute	
Annual Production Turnover*	

*Annual Production Turnover = Revenue from jute goods manufactured by the company from which all purchases of jute goods other than raw jute like the intermediate products, jute bags, yarn, fabrics, bags, semi-processed jute goods, cloth etc. shall be deducted.

DECLARATION

I.....hereby declare that the information furnished above is true, complete and correct to the best of my knowledge and belief. I understand that in the event of my information being found false or incorrect at any stage, action as per the policy and Jute and Jute Textile Control Order, 2016 may be taken against the mill. The Certificate issued by a Chartered Accountant stating the revenue from sale of jute goods, purchase of jute goods other than raw jute and annual production turnover is enclosed.

Signature

Name: _____

Designation: _____

E-mail ID: _____