



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

No. Jute (Mktg)/ 143/2022-II

Dated: 07-08-2025

To
The Director (All jute mills)

Subject: Penalty and Incentive for Supply Performance of the Jute Mills - reg.

Jute Commissioner issues PCSOs to the jute mills as per clause 4 of Jute and Jute Textiles Control Order, 2016 considering their installed capacity and commitment submitted by the respective jute mills. It has been observed that many jute mills have failed not only to supply the jute bags within the delivery period as given in PCSOs but also within 30 days of the date of PCSO. Further, the jute mills have been supplying less quantities than what were committed by them.

Therefore, to ensure that the supplies are made in a time bound manner, a policy was circulated vide letter of even number dated 17th April 2025. The policy has been reviewed, and it has been decided to simplify the consideration of supply performance of the jute mills while issuing PCSOs:

- i) Jute mills having no PCSO issued more than 30 days before the allocation date pending for inspection shall be considered compliant with requisite supply performance requirements. This implies that these mills have pending inspections only for PCSOs issued within the preceding 30 days of the date of allocation.
- ii) If the jute mill has any pending PCSO issued beyond 30 days before the date of allocation, the Backlog Supply Ratio shall be calculated as follows:
Backlog Supply Ratio = Backlog of Orders / (Number of inspected and passed bales in the preceding 30 days period)
 - a. The Benchmark Backlog Supply Ratio shall be the overall industry Backlog Supply Ratio and shall be calculated taking the figures for all jute mills using the formula at point (ii) above.
 - b. If the Backlog Supply Ratio for the jute mill exceeds the following cut-off ratio, the mill shall not be considered for allocation:

$$\text{Cutoff Ratio} = \text{Max} (1.25, 1.25 \times \text{Benchmark Backlog Supply Ratio})$$

That is the Cutoff Ratio is 1.25 or 1.25 times the Benchmark Backlog Ratio whichever is higher.

- iii) However, Jute mills having any pending PCSO for inspection for a period of 60 days or more shall not be considered for allocation irrespective of the Backlog Supply Ratio as per point (ii) above. Further, if more than 25% of the jute mills have pending PCSOs for more than 60 days, this clause shall not be applied and the allocation shall be done after considering Backlog Supply Ratio as per point (ii) above.
- iv) The quantity not considered for allocation for non-compliant mills shall be distributed proportionately in accordance with their allocation ratio among all the other mills whose supply performance is satisfactory.
- v) This policy shall be effective from the date of issue of the order and shall be operational until further orders.

This issues with the approval of the Jute Commissioner

Yours faithfully,

Digitally signed by
(Deputy Jute Commissioner)
Neeraj Kulhari
Date: 07-08-2025
18:38:57