



Government of India
Ministry of Textiles
OFFICE OF THE JUTE COMMISSIONER
CGO Complex, 3rd MSO Building, E & F Wings, DF BLOCK,
4th Floor, Sector-I, Salt Lake City, Kolkata – 700064

No. Jute(Mktg)/135/2020-Rabi-21-22

Dated: 28-08-2023

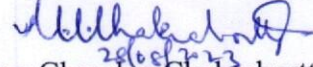
To
All Jute Mills.

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

Sir,

A meeting was held with the officials of IJMA on 17-08-2023 under the Chairmanship of the Jute Commissioner to discuss about the Policy for B-Twill allocation of jute bags. The decisions of the meeting are hereby circulated to all jute mills for feedback & comments before finalizing the policy. The feedback should come latest by 1-00 p.m on 04-09-2023.

Yours faithfully,


(Moloy Chandan Chakraborty)
Jute Commissioner

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

Policy for B-Twill allocation of jute bags

List of participants is enclosed.

2. A meeting was held in the office of the Jute Commissioner on 17-08-2023 under the Chairmanship of the Jute Commissioner for framing a policy for B-Twill allocation. In the meeting, officials of IJMA were present.

3. After detailed discussion on various aspects of allocation policy, the following consensus was reached. If approved, the draft policy may be circulated by publishing on the website and through email to all the mills for feedback & comments before finalising the policy.

a) Policy for B-Twill allocation for implementing incentive/disincentive mechanism:

A meeting was held on 30-03-2021 under the Chairmanship of the Jute Commissioner wherein the policy for B-Twill allocation was finalised. The policy stipulates that the indented quantity may be distributed among jute mills after considering the supply performance in the immediate previous season(Rabi/Kharif). The allocation policy is mentioned below:-

Backlog % range in a season(Rabi/Kharif)	Proposed allocation norm for next season
0 to 5%	Incentive for extra allocation upto 20% of usual allotment.
05 to 10%	Normal share
10 to 30%	Penalty for reduced allocation up to 20% of usual allotment.
Above 30% to 50%	Penalty for reduced allocation up to 40% of usual allotment.
Above 50%	No allocation.

b) Policy for B-Twill allocation for implementing incentive/disincentive mechanism: It was decided in the meeting held on 10-08-2022 with the officials of IJMA that in case of penalty and incentive – Mills having more than 25% backlog of monthly capacity, at the start of the month, should be penalized with lesser allocation by 20% during the month. This quantity shall be distributed to willing mills having less than 7% backlog of their monthly capacity, in the ratio of their allocation %. If there are no willing mills to take the additional orders then such penalty should be revoked.

c) The policy at 3(a) above may continue as it assesses the supply performance of the jute industry for a whole season and based on the performance, incentive/disincentive is imposed on jute mills in the following season. As the policy stipulates substantial penalty or reward, the jute mills will be more watchful in ensuring supply of jute bags within the season.

The policy at 3(b) does not appear to be much effective. It is the experience that most of the time the policy could not be implemented due to various reasons. Therefore, the policy at 3(b) may be discontinued.

4. New policy for B-Twill allocation in addition to 3(a) above:

a) Eligibility ratio for supply may be an average of installed sacking capacity ratio and annual production turnover ratio. Annual production turnover will be based on the certificate from Chartered Accountant considering the Annual Data of the most recent Financial Year (for example FY 2022-23 for the Rabi procurement season 2024-25). The production turnover shall be calculated with figures taken from Balance Sheet where only jute goods sale turnover will be considered. 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 from the annual turnover.

Annual Production Turnover = Total Sales – All purchases of jute goods other than raw jute (e.g. jute yarn, fabrics, bags, semi processed jute goods, jute cloth etc.)

- b) In the case of a unit that has suffered lockdown or strike, pro-rata adjustment of production turnover may be done. Documentary evidence supporting the number of days of lockdown/strike required to be furnished.
- c) Commitment to supply will have to be submitted by jute mills before the start of a season indicating the commitments for each month of the season.
- d) B-Twill allocation shall not exceed the month's commitment to supply.
- e) Updation of allocation % may be at the start of the new season (Rabi/Kharif) i.e. November for RMS and May for KMS. Any reassessment to the installed capacity shall be taken into consideration in the next season. No request for intermediate change in commitment shall be entertained.
- f) In case of new unit, only installed capacity may be considered for first year of commercial production.
- g) Policy to incentivize good performing mills and penalizing the laggards may continue in the following manner :-

	Backlog % range against each month	Proposed allocation norm for the following month
1	0 to 5%	Incentive for extra allocation at the option of mills upto 20% of usual allocation. This quantity will be generated from the mills who have been penalized as proposed at Sl No. 3 in this table.
2	>05% to 20%	Normal share
3	>20 %	Penalty for reduced allocation by 20% of usual allotment.

h) After considering the points at (a) to (g) above, the resultant allocation shall be subject to performance of jute mills in payment of Provident Fund dues. The allocation shall be reduced by 10% for the jute mills which have not submitted the Provident Fund Return for 3 months as detailed further or those mills which have deposited abnormally low provident fund dues considering the orders given to them and expected average manpower productivity. For this purpose, all mills are required to submit 3 months Return, July'23 to Sept'23 indicating Provident Fund gross calculation of their mill for assessing the performance to be considered in the next Rabi: 2024-25 season and similar return to be submitted for months from January'24 to March'24 for the next Kharif: 2024-25 season & so on so forth. Mills found not complying with Provident Fund dues will get only 90 percent of the resultant share after considering the (a) to (g) above. The penalty so applied shall be distributed equally among all the mills found complying with this point.

5. The meeting ended with thanks to all concerned.

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List of participants:

Office of Jute Commissioner	
1.	Shri Moloy Chandan Chakraborty, Jute Commissioner --- In Chair
2.	Shri Neeraj Kulhari, Deputy Jute Commissioner
3.	Shri T.K.Mondal, Consultant (Mktg.)
Indian Jute Mills Associations	
1.	Shri Raghav Gupta, Chairman
2.	Shri Rishav Kajaria, Deputy Chairman