भारत सरकार/ Government of India
वस्त्र मंत्रालय/ Ministry of Textiles
पटसन आयुक्त का कार्यालय/ Office of the Jute Commissioner
पाटसन भवन, सीएफ ब्लॉक, / Patsan Bhawan, CF Block,
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File No. Jute(Mktg)/143/2022-Pt(3) Dated: 25th June, 2026

To

Director,
Jute Mills (as per list attached)

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Subject: Allocation policy for B-Twill Jute Bags

It is informed that policy for B-Twill allocation was based on the Production Based Value Ratio (PVBR) computed for each mill from the year 2018 onwards. 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 made based on installed sacking capacity of the mill. However, as per the decision of CCEA; 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. Therefore, 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. Considering the suggestions received from various stakeholders and in compliance with the decision of CCEA, a new policy was issued vide letter dated 14.06.2024. However, the policy could not be implemented due to administrative issues.

3. The issue of the allocation policy has been examined afresh, and it has been decided that the policy be strictly in accordance with the CCEA approval covering three parameters representing installed capacity, export and ability to sell in the private market and production efficiency. Therefore, the policy is revised by incorporating the following parameters:

a) The Net Private Market Sales shall be calculated as follows:

Net Private Market Sales = Revenue from manufactured jute goods – purchases of jute goods other than raw jute like the intermediate products, yarn, fabrics, bags, semi-processed jute goods, cloth etc. – sales to State Procurement Agencies for packaging foodgrains

Net Private Sales will be based on the certificate from the Chartered Accountant considering the Annual Data of the jute mill.

b) Annual Sacking Production of the mill shall be defined as the sacking production of the jute mill from raw jute to finished goods in the year. It shall be calculated as follows:

Sacking Production = Sacking Sales – Purchase of Sacking Bags – Purchase of sacking cloth – Purchase of yarn used in sacking production

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The Annual Sacking Production shall be based on certificate from the Chartered Accountant considering the Annual Data of the jute mill.

The format of the certificate declaring Net Private Sales and Sacking Production is attached at Annexure 1. It must be ensured that the certificate contains the Unique Document Identification Number (UDIN) failing which the certificate shall not be accepted.

c) The following ratios shall be considered in determining the allocation to the jute mill:

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

Net Private Sales Ratio = Net Private Sales of the Mill / (Sum of Net Private Sales of all the Mills)

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

d) Considering the impact of the allocation policy and to provide sufficient time for the jute mills to adapt to the new policy, the weight of these parameters is proposed to be as follows:

S.No.	Period	Weightage of Installed Sacking Capacity Ratio	Weightage of Sacking Production Ratio	Weightage of Net Private Sales Ratio	Period for which the sacking production data and net private sales data is to be considered
1	1.7.2026 to 31.10.2026	30%	55%	15%	FY 2024-25
2.	1.11.2026 to 31.10.2027	25%	60%	15%	FY 2025-26
3.	1.11.2027 to 31.10.2028	20%	60%	20%	FY 2026-27

e) In case a unit has suffered lockdown or strike, pro-rata adjustment of sacking production and the net private sales may be done. Documentary evidence supporting the number of days of lockdown/strike is required to be furnished.

f) If a mill is newly enlisted with o/o Jute Commissioner for supply of jute bags, the mill shall be allocated orders based only on the Installed Capacity for the period upto completion of the financial year after the year of enlistment (e.g. if a jute mill is enlisted in September 2026, the allocation shall be done on the basis of installed capacity upto March 2028), as sufficient data may not be available for determining other factors.

g) 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.

h) B-Twill allocation during a month shall not exceed the month's commitment to supply.

i) The incentive and penalty on the basis of supply performance shall be on the basis of the backlog. The Backlog of Orders shall be defined as the total orders placed to the jute mills, which have not been inspected and passed.

The Backlog Supply Ratio shall be defined as the following

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Backlog Supply Ratio = Backlog of Orders / (Number of inspected and passed bales in the preceding 30 days period)

The Benchmark Backlog Supply Ratio shall be the overall industry Backlog Supply Ratio. For example, if the industry as a whole had got 3 lakh bales inspected and passed in the preceding 30 days and the current backlog of orders available with industry is 6 lakh bales, the benchmark Backlog Supply Ratio shall be 2.

Cutoff Ratio = Max (1.25, 1.25 x Benchmark Backlog Supply Ratio)

The policy for incentive and penalty for supply performance shall be applied as follows:

A. 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.

B. 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 above. If the Backlog Supply Ratio for the jute mill exceeds the Cutoff Ratio, the mill shall not be considered for allocation.

C. 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.

D. 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.

j) Jute Commissioner may after considering the market situation and other factors may temporarily suspend the incentive and penalty policy for supply performance.

k) Considering the requirements of modernization of jute mills, the addition in installed capacity of Type B jute bags shall not be allowed hereafter.

The jute mills are directed to submit the requisite data by 7^{h} July 2026, failing which the category for which the data is not submitted shall be considered zero and no representation shall be entertained in this regard.

This issues with the approval of the Jute Commissioner.

भवदीय,

25/06/26

(Sourav Mukherjee)
Deputy Director (Marketing)

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Net Private Sales for the Year

Name of the Company:

Name of the Mill Unit:

Financial Year:

Net Private Sales in Financial Year 2024-25 (1st April 2024 to 31st March 2025):

Description	Amount (in INR)
Revenue from sale of products (must exclude revenue recognized if any from sale of Raw Jute)	
Less Purchases of jute goods other than raw jute	
Less Revenue from sale of B-Twill products to State Procurement Agencies	
Net Private Sales	

Annual Sacking Production in Financial Year 2024-25 (1st April 2024 to 31st March 2025):

Description	Quantity (in MT)	Amount (in INR)
Sales of Sacking Bags		
Less Purchase of sacking bags		
Less Purchase of jute sacking cloth		
Less Purchase of yarn consumed in producing sacking products		
Annual Sacking Production		

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