

Government of India
Ministry of Textiles
Office of the Jute Commissioner
Patsan Bhawan, CF Block, Action Area-I,
New Town, Kolkata – 700156

File No. Jute(Policy)/2026/007/ 520

Date: 16th July 2026

To

Director
All Jute Mills

Subject: Clarification regarding Allocation Policy for B-Twill Jute Bags dated 25.06.2026 and issuance of format of certificates for computation of Net Private Sales and Annual Sacking Production –reg.

Reference is invited to this Office letter No. Jute(Mktg)/143/2022-Pt.(3) dated 25.06.2026 regarding the Allocation Policy for B-Twill Jute Bags.

After the issuance of the above policy, representations were received from stakeholders seeking clarification regarding certain provisions of the policy and the methodology for furnishing Annual Sacking Production and Net Private Sales data. The matter has been examined and to ensure uniformity in reporting, transparency in computation and verification of the data furnished by jute mills, the following clarifications/modifications are hereby issued:

1. Clarification regarding Clause 3(a) – Net Private Market Sales

The Net Private Market Sales shall be determined in accordance with the enclosed Certificate of Export and Private Sales, which shall replace the format contained in Annexure-1 of the Allocation Policy.

Accordingly,

(a) Computation shall commence from the Revenue from Operations as appearing in the audited Standalone Financial Statements.

(b) Revenue relating to sale of non-jute goods/services, export incentives, Government incentives, duty drawback, RoDTEP benefits, licence sale income, scrap sale, rental income, maintenance related income, insurance claims, other income, sale of raw jute and any revenue not related to sale of jute goods shall be excluded, if they are recognised under Revenue from Operations.

(c) Revenue from sale of all B-Twill Jute Bags (580 gm) to State Procurement Agencies (SPAs) for packaging foodgrains recognised in the Revenue from Operations as above shall be excluded. All reimbursements and charges **recognised as revenue** in respect of B-Twill bags, including freight reimbursement, branding charges, handling charges, inspection charges and similar recoveries, shall also be **excluded**.

(d) Rates and taxes, wherever recognised as revenue, shall likewise be excluded.

(e) Purchase of finished or intermediate jute goods shall be excluded. Any purchases being jute products or intermediate jute products other than raw jute

(HSN 530310) shall be excluded.

(f) In case there are multiple manufacturing units (composite mills or otherwise) under the same company, the related revenues of the individual mills shall be reported separately.

2. Clarification regarding Clause 3(b) – Annual Sacking Production

For the purpose of Clause 3(b), Annual Sacking Production shall be considered on the basis of data submitted in the enclosed Certificate of Annual Sacking Production, which shall replace the corresponding format contained in Annexure-1.

The Annual Sacking Production shall be calculated after—

- (i) Taking Sale of jute sacking bags (HSN 6305.10) and jute sacking cloth (HSN 5310.10.12)
- (ii) Adding closing stock opening stock of jute sacking bags (HSN 6305.10) and jute sacking cloth (HSN 5310.10.12)
- (iii) Deducting opening stock of jute sacking bags (HSN 6305.10) and jute sacking cloth (HSN 5310.10.12)
- (iv) Deducting purchase of jute sacking bags (HSN 6305.10) and jute sacking cloth (HSN 5310.10.12)
- (v) Deducting consumption of intermediate goods like jute sliver, yarn etc. used in manufacturing of jute sacking/sacking cloth. Any input used in manufacturing the jute sacking/sacking cloth other than raw jute (HSN 530310) shall be considered as intermediate goods.

A Reconciliation Statement shall also be provided with the following calculation: -

- i. Taking Revenue from Operations and Reducing revenue recognised for sale of non-jute goods/services, export incentives, Government incentives, duty drawback, RoDTEP benefits, licence sale income, scrap sale, insurance claims, other income, sale of raw jute and any revenue not related to sale of jute goods are to be excluded, if they are recognised under Revenue from Operations. This shall be the Revenue from Sale of Jute Goods.
- ii. Adjusting for opening stock and closing stock of jute goods;
- iii. excluding purchases of finished/semi-finished jute goods;
- iv. making appropriate adjustments for items not attributable to the cost of production, supported by detailed working sheets; and
- v. excluding production of Hessian, Yarn/Twine and other jute goods so as to arrive at Annual Sacking Production.

In case of multiple manufacturing units under a company, Annual sacking production attributable to different mills (both composite or otherwise) of the same company shall be reported.

For determining sacking production as per Clause 3(b), Sacking Production shall include both stitched sacking bags (HSN 6305.10) and sacking cloth (HSN 5310.10.12), since both constitute sacking products manufactured substantially through the same manufacturing process and represent production of sacking for determining production performance.

3. Harmonised Classification

For ensuring uniform reporting by all jute mills, classification of jute products shall be based on the relevant Central Excise Tariff (HSN/CETA) classification as

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notified by the Central Board of Indirect Taxes and Customs (CBIC). Wherever any doubt arises regarding classification of any product, the applicable HSN/CETA classification shall prevail.

4. Clarification regarding Clause 3(e)

Clause 3(e) presently permits pro-rata adjustment in case of lockdown or strike.

It is clarified that such adjustment shall be admissible only in respect of strikes or disruptions arising due to reasons beyond the control of the management of the jute mill. Such lockdowns or strikes shall be considered for pro-rata adjustment only if:

- i. Such lockdowns or strikes were informed to o/o Jute Commissioner and
- ii. No PCSOs were issued to the jute mill for the period of such lockdowns or strikes and
- iii. Such lockdowns or strikes affected the operations of the jute mill for a continuous period of more than 15 calendar days at a time.

The jute mill must inform the period of such lockdown or strikes and the indents against which no PCSOs were issued only on account of such lockdowns or strikes.

Where such adjustment is considered, the adjustment shall be determined by the Office of the Jute Commissioner having regard to the supply of B.Twill jute bags and other jute goods by the jute mill during the same period of operation in the previous year vis a vis the overall performance of jute industry during such period of disruption.

Adjustment = (Production of B.Twill Jute bags by the jute mill in the period of operation / total production of B.Twill jute bags by the jute industry during the period of operation) * (Total Production of B.Twill jute bags by the jute industry during the period of disruption).

The Adjustment as above shall be converted to Metric Tonne (MT) and shall be added to the production achieved by the jute mill for remaining period.

The production shall be determined based on the inspected and passed bales of the jute mills and the industry during the specified periods.

The Net Private Sales shall remain unaffected by any adjustment.

5. Adjustment for increase in Installed Capacity

It has been informed by some of the jute mills that they have significantly increased their installed capacity since 2024-25, which may not be correctly reflected in the production figures of 2024-25.

Since the weightage of the installed capacity is independent from the weightage of the production efficiency, no adjustment in the figures of production is required. Jute mills who have increased their capacity shall make an application to Jute Commissioner, as a one-time transitional measure, may submit their data in the prescribed annexures for the FY 2025-26 as well. To address the concerns of those jute mills, the office of jute commissioner shall consider the data of FY 2025-26 so that their revised installed capacity is properly reflected in their production figures and a level playing field is provided to the entire jute industry.

6. Revised Certificates

The following revised certificates shall henceforth be used for submission of data

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under the Allocation Policy:

A. Certificate of Annual Sacking Production.
(to be certified by either cost auditor or statutory auditor of the jute mill company)

B. Certificate of Export and Private Sales.
(to be certified by the statutory auditor of the jute mill company)

The certificates shall be certified by the Statutory Auditor or Cost Auditor, as applicable, and shall contain UDIN. Wherever required under the formats, supporting working sheets shall invariably be enclosed. These revised certificates shall supersede the certificate format contained in Annexure-1 of the Allocation Policy dated 25.06.2026.

Mode of Submission: -

The prescribed certificates shall be uploaded on the Jute Smart Portal in both:

(a) signed PDF format; and

(b) Online form after e-sign,

along with all supporting working sheets and documents specified in the formats.

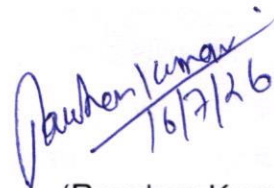
Time for Submission: -

In supersession of the submission timeline prescribed in the communication dated 25.06.2026, all jute mills shall furnish the above certificates and supporting documents within 10 working days from the date of issue of this clarification.

7. Except above clarifications, all other provisions remain unchanged

Except to the extent specifically clarified or modified herein, all other provisions of the Allocation Policy dated 25.06.2026 shall remain unchanged.

This issues with the approval of the Competent Authority.



(Raushan Kumar)
Assistant Director
Office of the Jute Commissioner

Annexure 'A'

Certificate of Annual Sacking Production

(to be issued by the Statutory Auditor or Cost Auditor of the entity)

I/We _____ (Name of Statutory Auditor or Cost Auditor) having firm registration number _____, have examined the books of account of _____ (Name of Company - Jute Mill), and hereby certify that the information furnished in this certificate are true and correct and are in agreement with the audited books of account and production record of the entity.

Name of the Company	
Name of the Mill Unit	
CIN	
GSTIN	
Financial Year	1st April ____ to 31st March ____

Part A —Jute Goods Production Details (Product-wise)

S. No (1)	Particulars (2)	Quantity (MT) (3)	Amount (in INR) (4)	Note No. (in Audited Standalone Financial Statements/Cost Records) (5)	Attributable to Jute Mill 1 (Where more than one jute mill is run under the same company)		Attributable to Jute Mill 2 (Where more than one jute mill is run under the same company)	
					Quantity (MT)	Amount (INR)	Quantity (MT)	Amount (INR)

1 (a)	Sale of jute sacking bags and jute sacking cloth							
1 (b)	Add: Closing stock of jute sacking bags and jute sacking cloth							
1 (c)	Less: Opening stock of jute sacking bags and jute sacking cloth							
1 (d)	Less: Purchase of jute sacking bags and jute sacking cloth							
1(e)	Sacking Production 1(a) + 1(b) – 1(c) – 1(d)							
1 (f)	Less: Consumption of intermediate goods used in producing the jute sacking bags and jute sacking cloth							
1(g)	Net Production of Sacking (1(e) – 1(f))							

Part B — Reconciliation of Annual Sacking Bags Production with Total Sales

S. No (1)	Particulars (2)	Quantity (MT) (3)	Amount (INR) (4)	Note No. /Working Sheet (5)	Attributable to Jute Mill 1 (Where more than one jute mill is run under the same company)		Attributable to Jute Mill 2 (Where more than one jute mill is run under the same company)	
					Quantity (MT)	Amount (INR)	Quantity (MT)	Amount (INR)
1	Revenue from Sale of Jute Goods							

2	Add - Closing Stock of all jute Goods							
3	Less - Opening Stock of all jute Goods							
4	Less - Purchase of all jute goods (semi-finished or finished goods)							
5	Less: - Adjustment for all amount not attributable to the cost of production	NA		Attach working Sheet (Mandatory)				
6	Production of all jute products in the reported FY (1 +2) – (3+4+5)							
7	Less: Production of Hessian (bags and cloth)							
8	Less: Production of Yarn/Twine							
9	Less: Production of any other jute goods (other than hessian, yarn and sacking bags) (pl specify the details)							
10	Annual Production of Sacking Bags {6 – (7+8+9)}							

Name of Statutory Auditor/Cost Auditor Firm	
Membership No.	
Firm Registration No.	
UDIN (Mandatory)	
Place	
Date	

Signature & Seal

Notes: -

1. The certificate must be issued after going through the provisions of the OM No. Jute(mktg)/143/2022-pt.(3) dated 25.06.2026 and clarifications provided vide OM No. Jute(Policy)/2026/007/520 dated 16.07.2026.
2. **For Sl. No. 5 of Part B:** - 'all amounts **not attributable** to the cost of production' is deductible from the 'Revenue from sale of jute goods' so as to arrive at the '**Ex-Mill** **cost of production**' of all jute products. A working sheet should be attached explaining this amount.
3. Note No. i.e. Note to accounts is to be mentioned for each item. Wherever, there is any difference, a separate working sheet should be attached to reconcile or explain the amount mentioned in this certificate with reference to the relevant note to account.
4. Amount for item sl. no. 6,7,8,9 and 10 of Part B is to be reported on cost basis only.
5. If more than one jute mills (composite or otherwise) are under the same company, the distribution of the components among different jute mills is to be provided in Part A and Part B by adding the requisite columns to the right of column no. 5.

Annexure B

Certificate of Net Private Sales

(to be issued by the Statutory Auditor of the entity)

I/We _____ (Name of Statutory Auditor) having firm registration number _____, have examined the books of account of _____ (Name of Company), and hereby certify that the information furnished in this certificate are true and correct and are in agreement with the audited books of account of the entity.

Name of the Company	
Name of the Mill Unit	
CIN	
GSTIN	
Financial Year	1st April _____ to 31st March _____

Net Private Market Sales (Part A)

S. No (1)	Particulars (2)	Amount (INR) (3)	Note No. /Working Sheet (4)	Jute Mill Unit 1 Amount (INR) (5)	Jute Mill Unit 2 Amount (INR) (6)
1	Revenue from Operations (as per Standalone Audited Financial Statement)				
2a	Less: Revenue from Sale of Raw Jute (if recognised as Revenue from Operations)				
2b	Less: Revenue from Sale of goods/services other than jute goods and raw jute (if recognised as Revenue from Operations)				
2c	Less: Any other adjustment (export incentives, other incentives, any other income etc. recognised under Revenue from Operations)				

2d	Less: - Rates and Taxes (if recognised as Revenue from Operations)				
3	Revenue from Sale of Jute Goods (1 – (2a+2b+2c+2d))				
4	Less: Revenue from Sale of B. Twill Jute Bags (580 gm. bags to State Procurement Agencies for packaging foodgrains)				
5	Less: Freight reimbursement, branding charges, handling charges, inspection charges etc. for Sale of B.Twill Jute Bags to SPAs for packaging foodgrains (if recognised under Revenue from Operations)				
6	Less: Any other Adjustment (pl specify)				
7	Revenue from Export and Sale of Jute Products in Private Market (3) - (4+5+6)				
8	Less: Purchase of jute goods (finished or intermediate jute goods other than raw jute)				
9	Net Private Market Sales (7 – 8)				

Net Private Market Sales (Quantity in MT) - (Part B)

S. No (1)	Particulars (2)	Quantity (MT) (3)	Jute Mill Unit 1 Quantity (MT) (4)	Jute Mill Unit 2 Quantity (MT) (5)
1	Sale of Jute Goods			
2	Sale of B.Twill Jute Bags (580 gm jute bags to State Procurement Agencies for packaging foodgrains)			
3	Purchase of jute goods (finished or intermediate jute goods other than raw jute)			
4	Net Private Market Sales (1) – (2 + 3)			

Name of Statutory Auditor	
Membership No.	
Firm Registration No.	
UDIN (mandatory)	
Place	
Date	

Signature & Seal

Notes: -

1. The certificate must be issued after going through the provisions of the OM No. Jute(mktg)/143/2022-pt.(3) dated 25.06.2026 and clarifications provided vide OM No. Jute(Policy)/2026/007/520 dated 16.07.2026.
2. Item at Sl. No. 1 of Part A should match with the amount mentioned in the 'Revenue from Operations' of the Audited Standalone Financial Statement.
3. Item at Sl No. 5 of Part A includes all kinds of re-imbursements and/or charges/fees in addition to the revenue based on ex-mill price of B. Twill Jute Bags. These items are deductible if it has been recognised as revenue. Some indicative items are freight charges (including taxes), branding charges, handling charges, inspection charges etc.
4. Amount at Sl. No. 7 of Part A should reflect the actual amount of revenue from export and sale of jute products in private market. This amount must be excluding any taxes. If taxes have been recognised as revenue, sl. no. 2d should be used for such adjustments. Any other adjustments to the revenue from operations to arrive at revenue from export and sale of jute products in private market net of taxes etc. must be done at S.No. 6 of Part A along with the explanation for the same.
5. If more than one jute mill (composite or otherwise) is being run under the same company, the breakup of amount in Column 3 must be provided among different jute mill units (composite or otherwise) by adding columns to the right of column 4. The allocation for a jute mill shall be based on the figures of specific composite jute mill.