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# The National Jute Board Act, 2008

(ACT NO. 12 OF 2009)

[*As on the* 1*st September*, 2026]

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LIST OF ABBREVIATIONS USED

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|---|---|---|
| G.S.R. . . . . | *for* | General Statutory Rules. |
| S.O. . . . . | ,, | Statutory Order. |
| Notifn. . . . . | ,, | Notification. |

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# THE NATIONAL JUTE BOARD ACT, 2008

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# THE NATIONAL JUTE BOARD ACT, 2008

## ACT NO. 12 OF 2009

[12*th February*, 2009.]

An Act to provide for the establishment of a National Jute Board for the development of the cultivation, manufacture and marketing of jute and jute products and for matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Fifty-ninth Year of the Republic of India as follows:—

## CHAPTER I

### PRELIMINARY

**1**. **Short title, extent and commencement.**—(*1*) This Act may be called the National Jute Board Act, 2008.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date[1] as the Central Government may, by notification in the Official Gazette, appoint.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

(*a*) "appointed day" means such date as the Central Government may, by notification in the Official Gazette, appoint for the purpose of section 3;

(*b*) "Board" means the National Jute Board constituted under section 3;

(*c*) "Chairperson" means the Chairperson of the Board;

(*d*) "Council" means the Jute Manufactures Development Council established under section 3 of the Jute Manufactures Development Council Act, 1983 (27 of 1983);

(*e*) "Jute" means the plants of jute, kenaf and mesta;

(*f*) "jute manufacture" shall have the same meaning as assigned to it in the Jute Manufactures Cess Act, 1983(28 of 1983);

(*g*) "member" means a member of the Board and includes the Chairperson;

(*h*) "prescribed" means prescribed by rules made under this Act;

(*i*) "regulations" means regulations made by the Board under this Act;

(*j*) "Society" means the National Centre for Jute Diversification, a society set up by the Central Government in the Ministry of Textiles and registered under the Societies Registration Act, 1860 (21 of 1860);

(*k*) "year" means the year commencing on the 1st day of April and ending on the 31st day of March next following.

## CHAPTER II

### THE NATIONAL JUTE BOARD

**3. Constitution and incorporation of Board.**—(*1*) With effect from the appointed day, the Central Government shall, by notification in the Official Gazette, constitute, for the purposes of this Act, a Board to be called the National Jute Board.

1. 1st April 2010, *vide* notification F. No. 3/6/2007-Jute, 30th March, 2010, *see* Gazette of India, Extraordinary, Part I, sec. 2

(*2*) The Board shall be a body corporate by the name aforesaid, having perpetual succession and a common seal, with power to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall by the said name sue and be sued.

(*3*) The head office of the Board shall be at Kolkata in the State of West Bengal or such other place as the Central Government may, by notification in the Official Gazette, specify and the Board may, with the previous approval of the Central Government, establish offices or agencies at other places in or outside India.

(*4*) The Board shall consist of the following members, namely:—

(*a*) the Secretary in charge of the ministry of the Central Government dealing with textiles, who shall be the *ex officio* Chairperson of the Board;

(*b*) three Members of Parliament of whom two shall be elected from among themselves by the members of the House of the People and one from among themselves by the members of the Council of States;

(*c*) the Additional Secretary and Financial Adviser, Ministry of Textiles, Government of India, *ex officio;*

(*d*) the Joint Secretary (Jute) in the Ministry of Textiles, Government of India, *ex officio*;

(*e*) two members of the rank of Joint Secretary to be nominated by the Central Government to represent respectively the ministries of the Central Government dealing with—

(*i*) agriculture, and

(*ii*) food and public distribution;

(*f*) three members to be nominated by the Central Government by rotation in the alphabetical order to represent respectively the Governments of the States of Andhra Pradesh, Assam, Bihar, Meghalaya, Orissa, Tripura and West Bengal; the nomination shall be from officials of the State Government holding the rank of Secretary to the State Government and dealing with Jute or Textile matters;

(*g*) three members of jute farmers of which one from State of West Bengal and two from other States on rotational basis to be nominated by the Central Government;

(*h*) three members of jute workers of which one from State of West Bengal and two from other States nominated by the Central Government on rotational basis;

(*i*) two experts from the field of jute technology and related field to be nominated by the Central Government;

(*j*) two members from the "micro enterprises", "small enterprises" and "medium enterprises" dealing in jute industry to be nominated by the Central Government.

*Explanation.*—For the purpose of this clause, the expressions "medium enterprise", "micro enterprise" and "small enterprise" shall have the meanings respectively assigned to them in clause (*g*), clause (*h*) and clause (*m*) of section 2 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006);

(*k*) two members to be appointed by the Central Government to represent the jute industry in the organised sector;

(*l*) two members to be appointed by the Central Government to represent the jute industry in the decentralised sector;

(*m*) two members to be appointed by the Central Government to represent the exporters of jute products;

(*n*) the Director, Indian Jute Industries Research Association, *ex officio*;

(*o*) the Principal, Institute of Jute Technology, *ex officio*;

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(*p*) the Director, National Institute of Research on Jute and Allied Fibre Technology, Kolkata, *ex officio;*

(*q*) the Director, Central Research Institute for Jute and Allied Fibres, *ex officio*;

(*r*) the Chairman and Managing Director, Jute Corporation of India, *ex officio*;

(*s*) the Jute Commissioner, *ex officio*;

(*t*) the Secretary, National Jute Board, who shall be the *ex officio* Member-Secretary of the Board.

(*5*) The term of office of the members, other than the *ex officio* members, and the manner of filling vacancies among, and the procedure to be followed in the discharge of their functions by, such members shall be as may be prescribed.

(*6*) The office of members of the Board shall not disqualify its holder for being chosen as, or for being a member of either House of Parliament.

(*7*) The Chairperson shall, in addition to presiding over the meetings of the Board, exercise and discharge such powers and duties of the Board as may be assigned to him by the Board and such other powers and duties as may be prescribed.

(*8*) The Board shall elect from among its members a Vice-Chairperson who shall exercise such of the powers and perform such of the functions of the Chairperson as may be prescribed or as may be delegated to him by the Chairperson.

(*9*) The Board shall meet at such times and places and shall observe such procedure in regard to the transaction of business at its meetings (including the quorum at meetings) as may be determined by regulations.

**4. Secretary and other officers.—**(*1*) The Central Government may appoint the Secretary and such other officers and employees as it considers necessary, for the efficient discharge of the functions of the Board under this Act.

(*2*) The terms and conditions of service of the Secretary and other officers and employees of the Board shall be such as may be determined by regulations.

## CHAPTER III

### FUNCTIONS OF THE BOARD

**5. Functions of Board.—**(*1*) It shall be the duty of the Board to promote the development of jute and jute products by such measures as it thinks fit.

(*2*) Without prejudice to the generality of the foregoing provision, the Board may undertake measures to—

(*i*) evolve an integrated approach to jute cultivation in the matters of formulation of schemes, extension work, implementation and evaluation of schemes aimed at increasing the yield of jute and improving the quality thereon;

(*ii*) promote production of better quality raw jute;

(*iii*) enhance productivity of raw jute;

(*iv*) promote or undertake arrangements for better marketing and stabilisation of the prices of raw jute;

(*v*) promote standardisation of raw jute and jute products;

(*vi*) suggest norms of efficiency for jute industry with a view to eliminating waste, obtaining optimum production, improving quality and reducing costs;

(*vii*) propagate information useful to the growers of raw jute and manufacturers of jute products;

(*viii*) promote and undertake measures for quality control of raw jute and jute products;

(*ix*) assist and encourage studies and research for improvement of processing, quality, techniques of grading and packaging of raw jute;

(*x*) promote or undertake surveys or studies aimed at collection and formulation of statistics regarding raw jute and jute products;

(*xi*) promote standardisation of jute manufactures;

(*xii*) promote the development of production of jute manufactures by increasing the efficiency and productivity of the jute industry;

(*xiii*) sponsor, assist, coordinate, encourage or undertake scientific, technological, economic and marketing research pertaining to the jute sector;

(*xiv*) maintain and improve existing markets and to develop new markets within the country and outside for jute manufactures and to devise marketing strategies in consonance with the demand for such manufactures in the domestic and international markets;

(*xv*) sponsor, assist, coordinate or encourage scientific, technological and economic research in the matters related to materials, equipment, methods of production, product development including discovery and development of new materials, equipment and methods and improvements in those already in use in the jute industry;

(*xvi*) provide and create necessary infrastructural facilities and conditions conducive to the development of diversified jute products by way of assisting the entrepreneurs, artisans, craftsman, designers, manufacturers, exporters, non-Governmental agencies in the following manner, namely:—

(*a*) transfer of technology from research and development institutions and other organisations in India and abroad;

(*b*) providing support services to the entrepreneurs for the implementation of their projects including technical guidance and training;

(*c*) organising entrepreneurial development programmes;

(*d*) planning and executing market promotion strategies including exhibitions, demonstrations, media campaigns in India and abroad;

(*e*) providing financial assistance by way of subsidy or seed capital;

(*f*) providing a forum to the people engaged or interested in diversified jute products for interacting with various national and international agencies, engaged in the jute and jute textile sector;

(*xvii*) organise workshops, conferences, lectures, seminars, refresher courses and set up study groups and conduct training programmes for the purpose of promotion and development of jute and jute products;

(*xviii*) undertake research on jute seed to improve quality and to shorten the gestation period of jute crop;

(*xix*) incorporate measures for sustainable Human Resource Development of the jute sector and to provide necessary funds for the same;

(*xx*) modernisation of jute sector and technology development;

(*xxi*) take steps to protect the interests of jute growers and workers and to promote their welfare by improving their livelihood avenues;

(*xxii*) secure better working conditions and provisions and improvement of amenities and incentives for workers engaged in the jute industry;

(*xxiii*) register jute growers and manufacturers on optional basis;

(*xxiv*) collect statistics with regard to jute and jute products for compilation and publication;

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(*xxv*) subscribe to the share capital of or enter into any arrangement (whether by way of partnership, joint venture or any other manner) with any other body corporate for the purpose of promoting the jute sector or for promotion and marketing of jute and jute products in India and abroad.

(*3*) It shall be the duty of the Board—

(*a*) to advise the Central Government on all matters relating to the development of raw jute and the jute industry, including import and export of jute and jute products;

(*b*) to prepare and furnish reports relating to the jute sector as may be required by the Central Government from time to time.

## CHAPTER IV

### PROPERTY AND CONTRACT

**6. The Council and Society to vest in Board.—**(*1*) On and from the appointed day, there shall be transferred to, and vest in, the Board constituted under section 3, the Council and the Society.

(*2*) The Council and the Society which is transferred to, and which vests in, the Board under sub-section (*1*) shall be deemed to include all assets, rights, powers, authorities and privileges and all property movable and immovable, real or personal, corporeal or incorporeal, present or contingent, of whatever nature and wheresoever situate, including lands, buildings, machinery, equipments, cash balances, capital, reserves, reserve funds, investments, tenancies, leases and book debts and all other rights and interests arising out of such property as were immediately before the appointed day in the ownership or possession or power of the Council, or as the case may be, the Society, whether within or outside India, all books of account and documents relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the Society, or as the case may be, the Council.

**7. General effect of vesting of Council and Society in Board.—**(*1*) All contracts, agreements and working arrangements subsisting immediately before the appointed day and affecting the Council, or, as the case may be, the Society shall, in so far as they relate to the Council, or, as the case may be, the Society, cease to have effect or be enforceable against the Council, or, as the case may be, the Society and shall be of as full force and effect against or in favour of the Board in which the Council and the Society have vested by virtue of this Act and enforceable as fully and effectively as if, instead of the Council, or, as the case may be, the Society, the Board had been named therein or had been a party thereto.

(*2*) Any proceeding, suit or cause of action pending or existing immediately before the appointed day by or against the Council or the Society may, as from that day, be continued and enforced by or against the Board in which it has vested by virtue of this Act, as it might have been enforced by or against the Council or the Society if this Act had not been passed, and shall cease to be enforceable by or against the Council or, as the case may be, the Society.

**8. Licences, etc., to be deemed to have been granted to Board.—**With effect from the appointed day, all licences, permits, quotas and exemptions, granted to the Council or the Society in connection with the affairs and business of the Council, or, as the case may be, the Society, under any law for the time being in force, shall be deemed to have been granted to the Board in which the Council and the Society have vested by virtue of this Act.

**9. Tax exemption or benefit to continue have effect.—**(*1*) Where any exemption from, or any assessment with respect to, any tax has been granted or made or any benefit by way of set off or carry forward, as the case may be, of any unabsorbed depreciation or investment allowance or other allowance or loss has been extended or is available to the Council or the Society, under the Income-tax Act, 1961 (43 of 1961), such exemption, assessment or benefit shall continue to have effect in relation to the Board in which the Council and the Society have vested by virtue of this Act.

(*2*) Where any payment made by the Council or the Society is exempted from deduction of tax at source under any provision of the Income-tax Act, 1961(43 of 1961) the exemption from tax will continue

to be available as if the provisions of the said Act made applicable to the Council or the Society were operative in relation to the Board in which the Council and the Society have vested by virtue of this Act.

(*3*) The transfer and vesting of the Council or the Society in terms of section 6 shall not be construed as a transfer within the meaning of the Income-tax Act, 1961(43 of 1961) for the purposes of capital gains.

**10. Guarantee to be operative.—**Any guarantee given for or in favour of the Council or the Society with respect to any loan or lease finance shall continue to be operative in relation to the Board in which the Council and the Society have vested by virtue of this Act.

**11. Provisions in respect of officers and other employees of Council and Society.—**(*1*) (*a*) Every officer or other employee of the Council serving in its employment immediately before the appointed day shall, in so far as such officer or other employee is employed in connection with the Council which has vested in the Board by virtue of this Act, becomes, as from the appointed day, an officer, or, as the case may be, other employee of the Board.

(*b*) Every officer or other employee of the Society serving in its employment immediately before the appointed day shall, in so far as such officer or other employee is employed in connection with the Society which has vested in the Board by virtue of this Act, becomes, as from the appointed day, an officer, or, as the case may be, other employee of the Board.

(*2*) Every officer or other employee of the Council or the Society who becomes an officer, or as the case may be, other employee of the Board, as referred to in sub-section (*1*), shall hold his office or service therein by the same tenure, at the same remuneration, upon the same terms and conditions, with the same obligations and rights and privileges as to leave, insurance, superannuation scheme, provident fund, other funds, retirement, pension, gratuity and other benefits as he would have held under the Council, or, as the case may be, the Society, if it had not vested in the Board and shall continue to do so as an officer or other employee, as the case may be, of the Board, or until the expiry of a period of one year from the appointed day if such officer or other employee opts not to be the officer or other employee of the Board within such period:

Provided that if the Board thinks it expedient to extend the period so fixed, it may extend the same up to a maximum period of one year.

(*3*) Where an officer or other employee of the Council or the Society opts under sub-section (*2*) not to be in the employment or service of the Board in which the Council and the Society have vested, such officer or other employee shall be deemed to have resigned from the respective cadre.

(*4*) Notwithstanding anything contained in the Industrial Disputes Act, 1947 (14 of 1947) or in any other law for the time being in force, the transfer of the services of any officer or other employee of the Council or the Society to the Board shall not entitle such officer or other employee to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

(*5*) The officers and other employees who have retired before the appointed day from the service of the Council or the Society and are entitled to any benefits, rights or privileges shall be entitled to receive the same benefits, rights or privileges from the Board in which the Council and the Society have vested.

(*6*) The trusts of the Provident Fund and Group Insurance and Superannuation Scheme of the Council or the Society for the welfare of officers or employees would continue to discharge their functions in the Board as was being done hitherto in the Council or the Society and tax exemption granted to Provident Fund or Group Insurance and Superannuation Scheme would continue to be applied to the Board.

(*7*) After the expiry of the period of one year, or the extended period, as referred to in sub-section (*2*), all the officers and other employees transferred and appointed to the Board, other than those opting not to be the officers or employees of the Board within such period, shall be governed by the rules and regulations made by the Board in respect of the service conditions of the officers and other employees of the said Board.

## CHAPTER V

### POWERS OF THE CENTRAL GOVERNMENT

**12. Directions by Central Government.—**(*1*) The Board shall, in the discharge of its functions and duties under the relevant statute, be bound by the directions on questions of policy as the Central Government may give in writing to it from time to time:

Provided that the Board shall, as far as practicable, be given an opportunity to express its views before any direction is given.

(*2*) The decision of the Central Government, whether a question is one of policy or not, shall be final.

**13. Supersession of Board.—**(*1*) If at any time the Central Government is of the opinion that—

(*a*) on account of grave emergency, the Board is unable to discharge the functions and duties imposed on it by or under the provisions of this Act; or

(*b*) the Board has persistently made default in complying with any direction issued by the Central Government under this Act or in the discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of such default, the financial position of the Board or the administration of the Board has deteriorated; or

(*c*) the circumstances exist which render it necessary in the public interest so to do,

the Central Government may, by notification in the Official Gazette, supersede the Board for such period, not exceeding six months, as may be specified in the notification.

(*2*) Upon the publication of a notification—

(*a*) all the members of the Board shall, as from the date of supersession vacate their offices as such;

(*b*) all the powers, functions and duties which may, by or under the provisions of the relevant Act, be exercised or discharged by or on behalf of the Board shall, until the Board is reconstituted under sub-section (*3*), be exercised and discharged by such person or persons as the Central Government may direct; and

(*c*) all property owned or controlled by the Board shall, until the Board is reconstituted, vest in the Central Government.

(*3*) On the expiration of the period of supersession specified in the notification issued under sub-section (*1*), the Central Government may reconstitute the Board by a fresh appointment and in such case any person or persons who vacated their offices under clause (*a*) of sub-section (*2*), shall not be deemed disqualified for appointment:

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section.

(*4*) The Central Government shall cause a notification to be issued under sub-section (*1*) and a full report of any action taken under this section and the circumstances leading to such action will be laid before each House of Parliament at the earliest.

## CHAPTER VI

### FINANCE, ACCOUNTS AND AUDIT

**14. Grants and loans by Central Government.—**(*1*) The Central Government may, after due appropriation made by Parliament by law, in this behalf, make to the Board grants and loans of such sums of money as that Government may consider necessary.

(*2*) There shall be constituted a fund to be called the Jute Board Fund and there shall be credited thereto—

(*a*) any grants and loans made to the Board by the Central Government;

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(*b*) all sums received by the Board from such other sources as may be decided upon by the Central Government.

(*3*) The Fund shall be applied for meeting—

(*a*) salary, allowances and other remuneration of the members, officers and other employees of the Board;

(*b*) expenses of the Board in the discharge of its functions; and

(*c*) expenses on objects and for purposes authorised by this Act.

**15. Budget.—**The Board shall prepare in such form and at such time during each financial year, as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board, and forward the same to the Central Government.

**16. Annual report.—**The Board shall prepare in such form and at such time, each financial year, as may be prescribed, its annual report, giving a full account of its activities during the previous financial year and submit a copy thereof to the Central Government.

**17. Accounts and audit.—**The accounts of the Board shall be maintained and audited in such manner as may, in consultation with the Comptroller and Auditor-General of India, be prescribed and the Board shall furnish to the Central Government before such date, as may be prescribed, an audited copy of its accounts, together with the auditor's report thereon.

**18. Laying of annual and auditor's report before Parliament.—**The Central Government shall cause the annual report and auditor's report to be laid, as soon as may be after they are received, before each House of Parliament.

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## CHAPTER VII

## MISCELLANEOUS

**19. Protection of action taken in good faith.—**No suit, prosecution or other legal proceeding shall lie against the Central Government, or the Board or any member of the Board, or any officer or other employee of the Central Government or of the Board or any other person authorised by the Central Government or the Board, for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

**20. Officers and employees of Board to be public servants.—**All officers and employees of the Board shall, while acting or purporting to act in pursuance of the provisions of this Act or of any rule or regulation made thereunder, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

**21. Power to make rules.—**(*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the term of office and other conditions of service of the members of the Board under sub-section (*5*) of section 3;

(*b*) the powers and duties of the Chairperson under sub-section (*7*) of section 3;

(*c*) the powers and functions of the Vice-Chairperson under sub-section (*8*) of section 3;

(*d*) the form in which, and the time at which, the Board shall prepare its budget under section 15;

(*e*) the form in which, and the time at which, the Board shall prepare its annual report under section 16;

(*f*) the manner in which the accounts of the Board shall be maintained and audited, and the date before which the audited copy of the accounts may be furnished to the Central Government under section 17;

(*g*) any other matter which is to be, or may be, prescribed or in respect of which provision is to be, or may be, made by the rules.

**22. Power to make regulations.—**(*1*) The Board may, with the previous approval of the Central Government, by notification in the Official Gazette, make regulations consistent with the provisions of this Act and the rules generally to carry out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(*a*) the manner in which the business of the Board shall be conducted under sub-section (*9*) of section 3; and

(*b*) the terms and conditions of service of the Secretary and other officers and employees of the Board under section 4.

**23. Rules and regulations to be laid before Parliament.—**Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

**24. Power to remove difficulties.—**(*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of two years from the commencement of this Act.

(*2*) Every order made under sub-section (*1*) shall be laid, as soon as may be after it is made, before each House of Parliament.

**25. Amendment of Act 28 of 1983.—**In the Jute Manufactures Cess Act, 1983,—

(*a*) in section 3,—

(*i*) in sub-section (*1*), for the words and figures "the Jute Manufactures Development Council Act, 1983", the words and figures "the National Jute Board Act, 2008 (12 of 2009)" shall be substituted;

(*ii*) in sub-section (*2*), the words "and Salt" shall be omitted;

(*iii*) in sub-section (*4*), the words "and Salt" shall be omitted;

(*b*) in section 4, for the words, brackets and figures "the Jute Manufactures Development Council, from time to time, from out of such proceeds (after deducting the cost of collection which shall not exceed four per cent. of such proceeds) such sums of money as it may think fit for being utilised for the purposes of the Jute Manufactures Development Council Act, 1983 (27 of 1983), the words, brackets and figures "the National Jute Board from time to time, from out of such proceeds (after deducting the cost of collection which shall not exceed four per cent. of such proceeds) such sums of money as it may think fit for being utilised for the purposes of the National Jute Board Act, 2008 (28 of 1983), shall be substituted.

**26. Repeal and savings.—**(*1*) On and from the appointed day, the Jute Manufactures Development Council Act, 1983 (27 of 1983) shall stand repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken under the Act so repealed shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the corresponding provisions of this Act.

## STATEMENT OF OBJECTS AND REASONS

The jute sector occupies an important place in the economy of the country in general, and the eastern region in particular. Around 0.14 million people are engaged in the tertiary sector and allied activities, supporting the jute economy. These apart, the jute industry also contributes to exports to the tune of nearly Rs. 1,000 crores. The Jute Manufactures Development Council (JMDC), incorporated under the Jute Manufactures Development Council Act, 1983 and the National Centre for Jute Diversification (NCJD), a Society set up by the Central Government in the Ministry of Textiles and registered under the Societies Registration Act, 1860 are the institutions which are presently co-ordinating the operations of the large number of functions in the jute sector.

2. In pursuance to the National Jute Policy, 2005, the Government has approved the creation of a National Jute Board. Creation of the Board is a major organisational initiative and it will be the agency to co-ordinate and implement the programmes of the jute sector. The proposed Jute Board will be constituted and incorporated by merging the existing Jute Manufactures Development Council (JMDC), and the National Centre for Jute Diversification (NCJD) along with their funds and manpower. To avoid the multiplicity of efforts and programmes of various organisations in the jute sector, the National Jute Board will act as an umbrella body for the entire jute sector.

3. The salient features of the proposed legislation are as follows:—

(*i*) it proposes to merge Jute Manufactures Development Council and the National Centre for Jute Diversification, and in place of these two entities constitution and incorporation of a Board to be called the National Jute Board;

(*ii*) the proposed Board shall be consisting of 20 members to be appointed by the Central Government from the jute sector, representing the jute industry, labour institutions and organisations functioning in the jute sector, and from the Ministry of Textiles, Ministry of Agriculture and Ministry of Food and Public Distribution. The Secretary, Ministry of Textiles will be the *ex officio* Chairperson of the Board;

(*iii*) the Central Government is being empowered to appoint the Secretary to the Board and such other officers and employees, as it considers necessary for the efficient discharge of its functions and the terms and conditions of service of the Secretary and other officers and employees of the Board shall be such as may be determined by regulations;

(*iv*) the functions of the Board *inter alia* to promote the development of jute and jute products; to promote production of better quality raw jute; to enhance productivity of raw jute; to promote and undertake arrangements for better marketing and standardization of the prices of raw jute; to assist and encourage studies and research for improvement of processing, quality, techniques of grading and packaging of raw jute; to provide and create necessary infrastructural facilities and conditions conducive to the development of diversified jute products; to provide financial assistance by way of subsidy or seed capital, etc. Clause 5 of the proposed Bill specifies the detailed functions of the Board;

(*v*) it has been also proposed that the property and contract including the agreement, working arrangements, licences, permits, quotas and exemptions, etc., relating to or owned by the Jute Manufactures Development Council and the National Council for Jute Diversification shall be transferred and vest in the Board; the proposed Board shall also be entitled the tax exemptions or benefits available to the Council or the Society under the Income-tax Act, 1961;

(*vi*) the services of the officers and employees of the Council and the Society shall be transferred to the Board and they shall hold office on the same terms and conditions as they would have held in the two institutions as if they have not merged and also the officers and employees who opt not to be in the employment or service of the Board in which the Council and the Society have merged, such officers and employees shall be deemed to have resigned from the respective cadre;

(*vii*) the proposed legislation also empowers the Central Government to supersede the Board on account of grave emergency or on account of persistent default by the Board in not carrying out the instructions of the Government, or in public interest;

(*viii*) the Board will be a body corporate and the Government, after due appropriation made by Parliament will make such grants and loans to the Board as considered necessary and a fund called Jute Board Fund will be constituted. All proceeds on account of grant and loans from the Government; all fees and levies and all sums received by the Board from other sources will be credited to this Fund;

(*ix*) it is also proposed that the Board shall prepare annual report and submit a copy of the same to the Central Government, which shall be laid, before the Parliament;

(*x*) it is also proposed to effect consequential amendments to sections 3 and 4 of the Jute Manufactures Cess Act, 1983 to facilitate the allocation of the cess collected under this Act to the proposed Jute Board;

(*xi*) it also provides the repeal of the Jute Manufactures Development Council Act, 1983.

4. The Bill seeks to achieve the above objects.

SHANKERSINH VAGHELA.

NEW DELHI;
*The* 9*th May*, 2006.

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