

**IN THE HIGH COURT AT CALCUTTA
Constitutional Writ Jurisdiction
(APPELLATE SIDE)**

**Present:
The Hon'ble Justice Smita Das De**

WPA 29892 of 2025

**Indian Jute Mills Association & Another.
-Vs-
Union of India & Another.**

For the Petitioner	: Mr. Abhrajit Mitra, Sr. Adv. : Mr. Deepan Kr. Sarkar, : Mr. Uttam Sharma, : Mr. Samriddha Sen, : Ms. Vrinda Kedia
For the UOI	: Mr. Kumar Jyoti Tewari, Sr. Adv., : Mr. Dibashis Basu, : Mr. Arijit Mazumder, : Mr. Arun Bandyopadhyay
Reserved on	: 18/05/2026
Judgment on	: 12/06/2026

Smita Das De, J.:-

1. The instant writ petition WPA 29892 of 2025 has been filed by the petitioner, challenging inter alia, the fixation of price of jute bags for the months of October and November 2025 contrary to the existing pricing formula communicated by the Ministry of Textiles dated October 17, 2025.
2. Apropos the facts of the case, the petitioner no 1 herein is the Indian Jute Mills Association. The petitioner no. 2 is the secretary of the petitioner no 1. Respondent no 1 is the Union of India and the respondent no 2 is the Jute Commissioner, who performs the

functions assigned by the JTCO 2016 including giving effect to the provisions of the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 (hereinafter referred to as the “JPM Act”) and the JTCO 2016, inter alia, by issuing from time to time, Production Control and Supply Orders.

3. In the year 2016, the petitioners, as well as one of the members of the Petitioner no 1, Murlidhar Ratanlal Exports Limited, filed writ petitions being W.P. No. 369(W) of 2016 and W.P. No. 9409(W) of 2016, challenging inter alia, the fixation of the price of B-twill bags for the months of March, April, May and June 2016 by respondent no 2.
4. The parties having arrived at a settlement, this Hon’ble Court, by an order dated June 20, 2016, as corrected by a subsequent order dated June 29, 2016, has been pleased to dispose of the writ petition ,directing, inter alia, the Jute Commissioner to fix the price of B-Twill Jute Bags on the basis of the moving average of raw jute prices for the preceding three months computed on the basis of the quotations of the Jute Balers Association (in short “JBA”) & M/s. A. M. Mair & Co. Pvt. Ltd (in short “A.M Mair”). The order has been passed with the consent of the Jute Commissioner being the Respondent no 2 and Union of India being, the Respondent no 1 herein.
5. In March 2021, the Union of India published a report by way of an executive order titled “Report on Normative Price of Type ‘B’ Twill 580 gms Jute Bags (50kg capacity)”, (hereinafter referred to as “the Tariff Commission Report”) for the purpose of computation of the fair price of raw jute and jute bags by Respondent no 2.

- 6.** On September 23, 2024 the petitioners came to learn that, pursuant to a decision taken on August 28, 2024, the respondent no. 1 has already approved a new pricing methodology for jute sacking bags based on the Tariff Commission Report, thereby providing for more favourable pricing to jute mills.
- 7.** The Tariff Commission Report stipulates that the formula for fixation of the price of raw jute is the three month moving average of the market price. The said report further prescribes the methodology for determining the fair price of jute bags. In accordance with the methodology of the report, the Jute Commissioner has been fixing the price of raw jute as well as that of jute bags and other jute textiles procured from Jute Mills.
- 8.** The three month moving average price of raw jute, which forms the basis for fixation of the price of B-Twill jute bags has been a Government Policy on an “All India” basis, as is evident from the records and the documents pertaining to the meeting of the Cabinet Committee on Economic Affairs as held on June 5, 2002.
- 9.** On September 17, 2025 the petitioner, by a notice issued under the Right to Information Act, 2005 requested inter alia, for the disclosure of the pricing formula applied by the Office of the Jute Commissioner for determining the price of jute bags as well as the component wise breakup of the price of jute bags declared by the Jute Commissioner for the last 12 months.
- 10.** No price notification has been issued in respect of jute bags for the months of October and November 2025. However, the Production

Control and Supply Orders issued for these months in question reflects the price of jute bags as specified in the price notification of September 15, 2025 i.e Rs 7,458.81 per 100 bags , for both Type A and Type B jute bags.

- 11.** For the month of September 2025 the raw jute cost /material cost has been determined by the Jute Commissioner at Rs 85,481.90. The material cost is arrived at, after taking into consideration the price of raw jute declared on a daily basis by the JBA and A.M. Mair.
- 12.** The price of jute bags has remained unchanged since September 2025, notwithstanding the gradual increase in the material cost namely the price of raw jute. However, the component wise cost break-up as furnished by the Office of the Jute Commissioner discloses that the material cost i.e the price of raw jute stood at Rs 85,481.90 for October 2025. Significantly, the said price remained unchanged for November 2025 as well, as is evident from the Production Control and Supply Orders dated November 19, 2025.
- 13.** By an order dated May 11, 2022 this Hon'ble Court in WPA No 1126 of 2022, inter alia, observed that jute mills are required to be reimbursed for their actual cost of production, having due regard to the cost and availability of raw jute .
- 14.** The petitioner have issued various representations to respondent no 2, inter alia , calling upon the respondent to adhere to the cost based pricing formula approved by the Cabinet Committee of Economic Affairs (CCEA).In the alternative the petitioner requested that in the

event prices are to be fixed, raw jute be made available to jute mills at such fixed prices.

15. The petitioners have also filed a writ petition before this Hon'ble Court being WPA No 28244 of 2025. During the pendency of the said writ petition, the respondents issued a further price fixing notification on December 17, 2025 (hereinafter referred to as the "December 2025 notification") fixing the maximum ex-factory price of B-Twill sacking 580 gms Type-A & Type-B jute bags for the month of December, 2025.
16. It has been expressly recorded in the order dated December 18, 2025 passed by this Hon'ble Court while disposing of the Writ Petition No 28244 of 2025 that liberty has been granted to the petitioners to file the instant writ petition inter alia, challenging, the failure of the respondent in fixing the price of jute bags for the months of October and November 2025 in accordance to the applicable pricing formula/methodology.
17. The September 2025 notification issued for the price fixation for jute bags, pursuant to the formula approved by the CCEA on December 17, 2025 which has been the subject matter of challenge in the WPA 28244 of 2025.
18. Being aggrieved by the difference in price of jute bags for the months of October and November 2025 i.e the difference between the price of jute bags determined as per the applicable pricing formula stated in the letter dated October 17, 2025 and the price that the petitioner had to transact with, the petitioner has filed the instant writ petition.

Contention of the Petitioner –

- 19.** Learned Counsel on appearing behalf of the petitioner submits that the CCEA is the highest policy making authority of the Central Government in economic matters. The pricing formula approved by the CCEA and communicated by the Ministry of Textiles on October 17, 2025 is not a mere executive suggestion but a binding policy directive. The Jute Commissioner, being a subordinate implementing authority under the administrative control of the Central Government is legally bound to act in conformity with such policy.
- 20.** It has been also submitted that the petitioner challenged the September notification and the non – issuance of pricing notification for October and November 2025 by filing a writ petition being W.P.A No 28244 of 2025 wherein this Hon'ble Court has been pleased to direct as reproduced below-

“2. Since the above notification seeks to determine the price of the Jute Bags for an indefinite period commencing from December, 2025. Mr Tiwari learned Senior Advocate in response to a query of this Court on instruction from the Deputy Jute Commissioner who is present in Court , would submit that this notification is limited to the month of December,2025 and in month of January,2025 a review would be initiated to evaluate the price of Jute in accordance with the applicable pricing formula morefully stated in Annexure II to the Ministry of Textiles letter dated October 17,2025 or such additional formula or terms as may be notified from time to time in accordance with law.

3. Having regard to such submission made in Court today I am of the view of that the writ petition can be disposed of without deciding the other reliefs by granting liberty to the petitioner to challenge the pricing for the months of October and November 2025, by way of a separate proceeding if so advised.”

21.As held by the Coordinate Bench of this Hon'ble Court, that the Government is required to determine and thereby notify the price of jute bags on a month by month basis, as recorded in the Ministry of Textiles letter dated October 17, 2025 and the judgment and order dated December 18, 2025, also mandates a monthly review of the cost of jute bags. This direction has been implemented by the respondent no 2, who in compliance with the said order, has been reviewing jute costs on a month by month basis since January 2026 in accordance with the pricing formula set out in the Ministry of Textiles letter dated October 17, 2025. This fact has been admitted by the respondents and the price notification for the month of January 2026 has been duly issued.

22.It is further submitted that by an order dated May 11, 2022 both the Hon'ble Court and the Trial Court directed inter alia, that with regard to the alleged unusual price rise attributable to illegal hoarding in the month of January 2025, and in the first ten days of August 2025, if the said allegation is found to be correct, the Jute Commissioner is requested to take immediate action against the perpetrators of such hoarding.

23.It is submitted that the policy is binding on the Jute Commissioner and the Jute Commissioner cannot deviate from the same until and unless a new policy is introduced superseding the earlier.

Contention of the Respondents-

24. Per Contra, the learned counsel on behalf of the respondent submits that the present petition pertains to fixation of the price of Jute bags

for the month of October, 2025 and November, 2025 which is a matter of economic policy, executive discretion and technical expertise, and is not amenable to judicial review except on limited grounds of arbitrariness as such it should be dismissed in limini with costs.

25. It is further contented that the price fixation is a complex administrative function involving technical assessment of raw material, price dynamics and other exigencies. The Jute Commissioner is required to retain administrative flexibility and cannot issue notifications mechanically without fresh assessments. The communication dated October 17, 2025 is a policy guideline intended to aid decision making and does not extinguish the statutory discretion vested in the Jute Commissioner under the jute Textile Control Order, 2016, strictly adhering to all circumstances by exercising necessary administrative discretion. Any delay in issuance of notification, due to procedural requirements pending data collection and administrative exigencies, does not amount to arbitrariness or illegality warranting judicial interference under Article 226.

26. It has been submitted that if the price ceiling is withdrawn, jute prices would have become uncontrollable, and Government jute bags prices in September 2025 at around Rs. 74.58 i.e 2 to 2.5 times the price of alternate plastic bags at present, could rise without any limit, bleeding the public exchequer heavily and unduly benefitting only the middlemen, hoarders & Jute mill Owners with no benefit accruing to farmers.

27. WPA No 1126 of 2022 has been filed by the petitioners in the context of fixation of raw jute prices, in which this Hon'ble Court upheld the power of Jute Commissioner to fix the prices of raw jute and directed Jute Commissioner to take positive steps and adopt stringent measures to implement the notified rate. Despite all efforts, it appears that if the notified rate cannot be adhered to, then the Jute Commissioner shall review and re-fix the rate taking into consideration the relevant factors as mentioned in the Control Order, 2016. The current matter pertains to the power of the Jute Commissioner for fixation of prices of jute bags under Clause 3(6) of Jute and Jute Textiles Control Order, 2016. By applying the ratio in WP No 1126 of 2022, the Jute Commissioner has been required to review and re-fix the jute bag rates in December, 2025.

28. The Coordinate Bench of this Hon'ble Court has categorically held in an appeal filed by the petitioner being FMA No. 1044/2022 which is reproduced below-

“This Court finds no fault on the part of the Jute Commissioner. The Jute Commissioner shall take steps as directed by the single bench if not already taken”

29. Learned counsel on behalf of the respondents further submits that the Jute Commissioner again approached the State Legal Enforcement Agencies to extend support for implementing law and order while apprehending the perpetrators who have been hoarding raw jute to create an artificial price rise in the market and after finding no suitable remedy, the commissioner resorted to exercise his statutory duties by capping the price of B- twill Bags for limited period.

- 30.** It has also been contended that the maximum prices for B.T will jute bags fixed vide statutory notification no S.O. 4165 (E) dated September 15, 2025 issued under Clause 3(6) of Jute and Jute Textiles Control Order, 2016 which has been applicable for the period from September to November, 2025 cannot be changed retrospectively as it would adversely affect all the prices of essential goods.
- 31.** In the case relating to price fixation of raw jute in 2021, it has been submitted that, an increase in the reasonable price of raw jute will in no way benefit the farmers, because at present, there is hardly any raw jute lying with the farmers. The stocks are held only by traders and millers, who are primarily responsible for the artificial scarcity and price manipulation in the market. Therefore, price fixation at the present stage is aimed at curbing, profiteering by intermediaries and not by depriving farmers of remunerative prices.
- 32.** The steps taken by the Jute Commissioner earlier to curb hoarding have been supported by this Hon'ble Court, thereby enabling the Jute Commissioner to move forward and safeguard public by cracking down on the black market. This Hon'ble Court has equipped the Jute Commissioner with the necessary authority to control the perpetrators responsible for the artificial price rise.
- 33.** Learned counsel on behalf of the respondent relies upon a judgment of **Shri Sitaram Sugar Co. Ltd & Anr. Vs Union of India & Ors** reported at **(1990) 3 SCC 223** which dealt with the issue of: whether fixation of price for sugar under section 3(3-C) of the Essential Commodities Act, 1955 is an administrative or legislative function and

whether there is any scope for judicial review in the fixation of price thereof. The Constitution Bench of Hon'ble Supreme Court has held that:

“ price fixation is a legislative function and judicial review is not concerned with matters of economic policy. The Court does not substitute its judgment for that of the Legislature or its agents as to matters within the province of either. The Court does not supplant the ‘feel of the expert’ by its own views. When the Legislature acts within the sphere of its authority and delegates power to its agent, it may empower the agent to make findings of fact which are conclusive provided such findings satisfy the test of reasonableness. In all such cases, judicial inquiry is confined to the question whether the findings of fact are reasonably based on evidence and whether such findings are sustainable at law of the land. Judicial function in respect of such matters is exhausted when the court finds rational basis to the conclusion reached by the authority. In the matters of policy and planning, it is for the Central Government to decide whether it should adopt one or other system of control in the best economic interest of the sugar industry and the general public grouping sugar factories on geographical-cum- agro- economic factors to determine the price. It was held that the fixation of price to the sugar was not amenable to judicial review.”

Analysis -

- 34. i)** The moot issues involved herein is whether the policy decision on jute bag pricing, approved by the cabinet committee on economic affair(CCEA) and communicated by the Ministry of Textiles vide Communication dated October 17 ,2025 is at all binding upon the Jute Commissioner.
- ii)** Whether the Jute Commissioner's failure to issue monthly pricing notification for October and November 2025 in accordance with the approved formula is arbitrary, violative of the Article 14 of Constitution

of India and amenable to a writ of mandamus at the instance of Indian Jute Mills Association.

35. The respondent authority having adopted a specific pricing methodology for the determination of the price of jute bags, cannot subsequently depart from the same and impose an enhanced price on an adhoc basis. Once a statutory, contractual or court approved the prescribed methodology, every determination must strictly adhere to such methodology. Any deviation from the prescribed formula without proper justification renders the decision vulnerable to judicial review under Article 14 of the Constitution of India. It is a well settled proposition of law as held in the case of **Maneka Gandhi Vs. Union of India** reported at **(1978) 1 SCC 248**, wherein it has been observed that every state action must be fair reasonable and free from arbitrariness. The fixation of prices by a statutory authority in a manner contrary to the methodology approved by the government would be manifestly arbitrary and violative of law. The rule of law demands that executive authorities act within the confines of the procedure and standards governing the decision making process.

36. It is a settled law that Writ of Mandamus lies to enforce a legal right or to compel performance of a public duty. The present case involves the fixation of prices as per the CCEA formulas. The Indian Jute Mills Association being petitioner No. 1 herein is the apex body of jute mill. This Writ Petition is maintainable. The jurisdiction of the Hon'ble Court under Article 226 is rightly invoked to compel the Jute Commissioner to act in accordance with law. The non-issuance of

notification has created a regulatory vacuum. Mills cannot determine pricing for government supply leading to stalling of procurement as potential breach of supply obligation under the Jute Packaging Materials Act.

37. Continued inaction shall cause irreparable injury to the industries and shall defeat the statutory objective of mandatory jute packaging. Judicial intervention is necessary to enforce the rule of law and ensure continuity of government mandated supply.

38. The Supreme Court in **Ramana Dayaram Shetty v. International Airport Authority of India**, reported at **(1979) 3 SCC 489**, held that when an authority lays down norms for the exercise of its power, it is bound by those norms and cannot arbitrarily depart from them. The Court also observed that arbitrariness is antithetical to the rule of law and any departure from prescribed standards without rational justification would violate Article 14 of the Constitution. Applying the aforesaid principle, once the Government has prescribed a specific formula for fixation of jute bag prices, the Jute Commissioner is under an obligation to adhere to the same and cannot evolve an alternative methodology.

39. The doctrine of legitimate expectation also supports the case of the petitioner. In **Union of India v. Hindustan Development Corporation**, reported at **(1993) 3 SCC 499**, the Supreme Court recognized that where a public authority has adopted a consistent policy or made a representation giving rise to an expectation, fairness requires adherence to such representation, unless overriding public

interest justifies departure. The jute industry regulates procurement of raw jute, production schedules and financial planning on the basis of the pricing mechanism approved by the Government. The mills, therefore, possess a legitimate expectation that the notified formula shall be uniformly implemented by the authorities concerned.

40. It is a settled principle of administrative law that where an authority is required to exercise statutory or administrative powers in accordance with a policy laid down by the Government, such authority cannot act contrary to that policy unless the policy itself is demonstrated to be contrary to law. Any departure from the approved pricing formula would amount to an exercise of power based on considerations extraneous to the governing framework, and would therefore be susceptible to judicial review.

41. The impugned inaction and any adhoc price fixation contrary to the formula dated October 17, 2025 is liable to be quashed. A positive direction to notify the prices in accordance with the binding formula is warranted.

42. The Jute Commissioner is not at liberty to rewrite economic policy. Once the CCEA has pronounced upon the matter and the Ministry of Textile has communicated the policy for implementation, the role of the Jute Commissioner is confined to faithful execution. The constitutional scheme, administrative law and the doctrine of legitimate expectation converge on a singular conclusion, the formula dated October 17, 2025 is binding and the failure to implement it is arbitrary, illegal and violative of Article 14 of the Constitution of India.

- 43.** In the present case Jute Commissioner has failed to show any material on record or any basis or justification for not issuing the jute bag pricing notification by following the existing pricing formula, for the months of October and November, 2025. In any event, Jute Commissioner is bound by the judgment and order dated December 18, 2025 which mandated monthly review of cost of jute in accordance with the pricing formula.
- 44.** The petitioner distinguishes the judgment relied upon by the respondent **Shri Sitaram Sugar Company Limited and Another vs Union of India and Others** reported in **(1990) 3 SCC 223** which deals with a fact situation where a writ petition has been filed challenging to the price of sugar fixed by such notifications as being arbitrary, irrational and discriminatory. In the present case the Indian Jute Mills Association is neither challenging the existing jute bag pricing formula nor requesting this Hon'ble Court to fix the price of jute bags. On the contrary, the Indian Jute Mills Association is seeking enforcement of policy decision approved by the CCEA (being the applicable jute bag pricing formula communicated by the Ministry of Textiles vide communication dated October 17, 2025) which is binding on the Jute Commissioner. It is settled law that a writ petition is maintainable for enforcement of a binding policy.
- 45.** In conspectus of the above as adumbrated herein this Court is of the view that once a decision has been approved by the CCEA, the highest policy making authority of the Central Government in Economic matter and the same which has been formally communicated by the Ministry

of Textiles for implementation, such decision ceases to be a mere executive suggestion and assumes a binding character upon all subordinate authorities. The Jute Commissioner being an implementing authority is bound to act in conformity with such policy and cannot substitute the prescribed methodology with the different pricing mechanism of his own choice. The Jute Commissioner being a Subordinate Authority cannot supplant this policy with an unprincipled regime. Any attempt to substitute the approved methodology with his own formulation would be ultra vires and unsustainable.

46. Having heard the parties at length and perused the materials on records, this Court holds that the policy decision of the CCEA duly approved and communicated by the Ministry of Textiles, is binding upon the Jute Commissioner. The Indian Jute Mills Association, representing the stakeholders directly affected by the fixation of jute bag prices, possesses sufficient locus to seek enforcement of such policy. Any deviation from the prescribed pricing formula, in the absence of a subsequent policy decision or statutory amendment authorizing such departure, would be arbitrary, contrary to settled principles of administrative law, violative of Article 14 of the Constitution and is liable to be set aside.

47. Accordingly, the impugned price fixation and all consequential actions taken pursuant thereto are hereby quashed and set aside. The respondent authorities are directed to determine and notify the price of jute bags for the months of October and November 2025 strictly in

accordance with the pricing formula communicated by the Ministry of Textiles on October 17, 2025.

- 48.** The respondent shall further pay to the petitioner's mill the differential amount, being the difference in the jute bag price determined in accordance with the CCEA pricing formula dated October 17, 2025, and the price, if any already fixed or paid by the Jute Commissioner for supplies made during the months of October and November. Such differential amount shall be paid forthwith, failing which the respondent shall have to pay interest at the rate of 9% per annum from the date it became due until the actual date of payment.
- 49.** The Jute Commissioner shall ensure strict compliance with the CCEA approved pricing formula and shall be responsible for any future deviation and consequential loss unless the said computation is modified by the committee.
- 50.** With the above observation and direction the writ petition **WPA 29892 of 2025** is accordingly allowed and disposed of. There shall, however, be no order as to costs.
- 51.** Urgent Photostat certified copy of this order if applied for be supplied to the parties on priority basis upon compliance of all requisite formalities.

(Smita Das De, J.)