

## **Hank Yarn Obligation**

The Hank Yarn Obligation is a mechanism to ensure adequate availability of hank yarn to handloom weavers at reasonable prices. The existing hank Yarn Packing Notification dated 17.04.2003 promulgated under Essential Commodities Act, 1955 prescribes that every producer of yarn who packs yarn for civil consumption, shall pack at least 40% of yarn packed for civil consumption in hank form on quarterly basis and not less than 80% of the hank yarn packed shall be of counts 80s and below.

Government of Maharashtra and some of the spinning mills have requested to reduce the Hank Yarn Obligation from 40% to 10%.

Financial assistance has been released to Handloom Development Corporations of the States under Integrated Handlooms Development Scheme (IHDS) and Marketing and Export Promotion Scheme. Further U.P Handloom Development Corporation and Karnataka Handloom Development Corporation have sought financial assistance for their restructuring. However no proposal has been received from West Bengal. Statement showing the State-wise releases of financial assistance to Development Corporations during the last three years is enclosed at **Annexure-A**.

The Government of India is implementing the following schemes all over the country including the State of Karnataka for overall development of handloom sector:

### **Integrated Handlooms Development Scheme (IHDS)**

The Integrated Handlooms Development Scheme (IHDS) aims to focus on formation of Weavers Group as an entity, develop the Handlooms Weavers Groups to become self sustainable, inclusive approach to cover weavers both within and outside the cooperative fold, skill up gradation of handlooms weavers/workers to produce diversified product etc.

Under the IHDS scheme, financial assistance is inter-alia provided for a group of weavers, who are in the clusters, having 300-500 handlooms per cluster and also, for a group of weavers who are outside the cluster under Group Approach Project having 10-100 weavers per Group . Under the cluster development programme, financial assistance is provided on need basis towards design development, formation of consortium, skill up gradation, basic inputs, construction of work sheds, corpus for yarn depot, setting up of Common Facility Centre/ Dye House, publicity & Marketing etc. while under Group Approach, financial assistance is provided towards basic inputs, skill up-gradation and Construction of Work-sheds.

A statement showing State-wise number of Clusters & Group Approach Projects sanctioned and amount released under the Group Approach Projects during the last three years is enclosed at **Annexure-B.**

### **Diversified Handloom Development Scheme**

Under the scheme Design Exhibition –cum Dyeing Workshops are being organized through existing **25 Weavers' Service Centres** in the States concerned all over the country including Karnataka to improve the productivity and earnings of the handloom weavers.

The State-wise detail of funds released to Weavers Service Centers during the last three years is enclosed at **Annexure-C.**

Please see annexure attached in Acts Section