

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:509

ANSWERED ON:09.12.2013

HANK YARN OBLIGATION

Das Shri Ram Sundar;Karwariya Shri Kapil Muni

**Will the Minister of TEXTILES be pleased to state:**

(a) the existing mechanism under Hank Yarn Obligation;

(b) whether the Government proposes to modify the Hank Yarn Obligation mechanism in order to provide relief to the spinning mills and if so, the details thereof and if not, the reasons therefor;

(c) whether any proposal has been received from the States/spinning mills particularly from Maharashtra to reduce the Hank Yarn Obligation for spinning mills;

(d) if so, the details thereof along with the present status of the proposals received from various States/spinning mills; and

(e) the time by which the said proposals are likely to be approved and the reasons for the delay, if any, in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a): The hank yarn obligation (HYO) is a mechanism to ensure adequate availability of hank yarn to handloom weavers at reasonable prices. The existing hank yarn packing notification (HYPN) 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 in hank form on quarterly basis and not less than 80% of the hank yarn packed shall be of counts 80s and below. A producer of yarn who does not have reeling capacity to fulfill the obligation by own packing may fulfill it either of following ways:-

i. A producer of yarn may get his yarn reeled out by another producer having surplus reeling capacity, including independent outsider reelers.

ii. The shortfall in respect of one producer of yarn for particular quarter may be met by another producer after fulfilling his own hank yarn obligation to the satisfaction of concerned regional office of the Textile Commissioner.

To monitor the fulfillment of hank yarn packing obligation, it has been prescribed that every producer of yarn shall submit to its jurisdictional regional office of the textiles commissioner, the particulars of categories of yarn packed in various forms in the prescribed quarterly return form and position of fulfillment of hank yarn packing obligation by transfer to other mills on or before the 10th of the second month and the end of second month respectively, after the expiry of the concerned quarterly period.

(b) to (e): Many States including spinning mills owners of Maharashtra have requested to reduce HYO from present 40% to 10%. To review the hank yarn obligation, the Ministry of Textiles had earlier constituted a committee to review HYO with all stakeholders on various issues.

The committee then recommended that status quo may be maintained with regard to hank yarn obligation scheme till authentic data on demand and consumption pattern of hank yarn is made available. For this purpose, Ministry of Textiles, decided to conduct a study to examine demand, distribution and consumption patterns of various counts by the handloom sector, adequacy and availability of hank yarn for handloom sector, compliance of HYO by the yarn manufacturing units and current methods to meet it including identification of cost, efficiencies etc. in the process of transfer of obligations from spinning mills to mills that finally fulfill the obligations and to recommend whether the current provisions of HYPN are adequate or need to be changed. Final report is awaited.