

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:940
ANSWERED ON:28.11.2006
IMPLEMENTATION OF RECOMMENDATIONS BY KVIC
Baxla Shri Joachim

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a): whether recommendations of Expert Committee to strengthen marketing strategy were not acted upon by the Khadi and Village Industries Commission (KVIC);
- (b): if so, the details thereof;
- (c): whether trading units having a huge investment are running in losses; and
- (d): if so, the action proposed to be taken against the erring officials of KVIC for not implementing the said recommendations?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)&(b): The Expert Committee constituted to suggest measures for revamping of Khadi and Village Industries Commission (KVIC) and programmes/schemes had inter alia recommended strengthening of the marketing strategy for the khadi and village industry products. The recommendations of the Expert Committee were accepted by the Government and in pursuance of these recommendations, KVIC has prepared proposals for enhancing the domestic marketing as well as export of KVI products.

(c): In the course of its statutory functions, KVIC undertakes activities to assist the khadi and village industries (KVI) institutions in the marketing of their products through some sales outlets owned and run by KVIC. Some of these outlets are running in loss mainly due to heavy establishment expenditure in the form of salary and allowances payable to the employees of the outlets based on the implementation of the 5th Central Pay Commission Recommendation by KVIC. Besides, there are 7050 sales outlets of registered KVI institutions under the purview of KVIC and most of them are running without incurring any loss.

(d): Does not arise.