

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

UNSTARRED QUESTION NO:3704
ANSWERED ON:16.08.2000
KVIC
BASUDEB ACHARIA;RAGHUNANDAN LAL BHATIA

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

- (a) whether it is true that the Government have taken decision to give the mandate for restructuring the Khadi and Village Industries Commission to a multinational consultancy agency Arthur Andersen;
- (b) if so, the details of the credentials of this foreign firm in relation to Khadi and Village Industries of India;
- (c) whether any representation has been received from any organisation opposing the move;
- (d) if so, the details thereof and the action taken thereon;
- (e) was it not possible to engage any Indian firm for this purpose or is there no Indian firm who can advise Government in correcting the ills of KVIC; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) to (f): No, Sir. However, a restructuring study has been assigned to M/s Arthur Andersen India Pvt. Limited. For restructuring of the Khadi and Village Industries Commission (KVIC), the KVIC had invited proposals from the various consultants including Indian Firms.

After detailed discussions with the organisations who made the presentation and after discussions with all concerned, it was observed that technically and professionally, M/s. Arthur Andersen India Pvt. Ltd. were the most suited organisation for undertaking the proposed restructuring study of the KVIC. It may also be mentioned that M/s Arthur Andersen India Pvt. Ltd., is a company incorporated under Indian Laws and set up in India.