

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

UNSTARRED QUESTION NO:1378

ANSWERED ON:08.12.2004

DISSOLUTION OF KVIC

Maheshwari Smt. Kiran;Rao Shri Kavuru Samba Siva

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

- (a): whether the Government has recently dissolved the Khadi and Village Industries Commission;
- (b): if so, the details thereof and the reasons therefore;
- (c): whether a new commission has been reconstituted; and
- (d): if so, the details thereof?

Answer

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

(a): Yes, Sir.

(b): In the National Common Minimum Programme, the Government has declared to revamp the Khadi and Village Industries Commission(KVIC). This has been necessitated mainly because of the steep decline in employment in the khadi sector and nearly stagnant sales of khadi over the years, the need to take effective measures to introduce modern management practices in the KVIC and make the khadi products competitive in the globalised economy and to enable the Government to generate more employment opportunities in the rural areas through the schemes, projects and other activities of the KVIC. Towards this objective, the Government has dissolved the Commission with effect from 14 October, 2004 in exercise of its powers under section 25(1) of the KVIC Act, 1956.

(c): No, Sir. However, as an interim measure, subsequent to the dissolution of the Commission and to continue with the functioning of the KVIC, an authority called the Commissioner for Khadi and Village Industries has been established. The Commissioner for Khadi and Village Industries has been authorised to exercise all powers of the Commission on the date of dissolution of the Commission and all the programmes and policies being implemented by the dissolved Commission shall continue to be operated by the Commissioner for Khadi and Village Industries.

(d): Does not arise.