

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:4304
ANSWERED ON:19.08.2010
HINDUSTAN PAPER CORPORATION
Pandey Shri Ravindra Kumar

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) whether the Government is aware of malpractices including overpricing of textbook paper in the units of Hindustan Paper Corporation, including in Jharkhand;
- (b) if so, the details thereof;
- (c) the amount estimated to have been overcharged during the last two years;
- (d) whether any enquiry has been conducted into the matter; and
- (e) if so, the details thereof and the steps taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ARUN YADAV)

(a): Yes, Madam.

(b) to (e): The Department received complaints alleging large scale irregularities in the sale of writing & printing paper by Hindustan Paper Corporation Limited and consequently resulting in heavy financial losses to the company. The matter has been referred to CBI to find out whether there is any malpractice including over-pricing of textbook paper.

A Preliminary inquiry has been conducted by the Department as also Chief Vigilance officer of Hindustan Paper Corporation and 6 executives of Hindustan Paper Corporation including Chairman cum Managing Director have been put under suspension. An inquiry officer has already been appointed by HPC to initiate departmental proceedings.