

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

UNSTARRED QUESTION NO:3748
ANSWERED ON:16.12.2014
CLOSURE OF PAPER MILL
Biswas Shri Radheshyam

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

- (a) whether the Government is aware that production in Cachar Paper Mill, a unit of Hindustan Paper Corporation Limited located at Panchagram in Hailakandi District, has been decreasing gradually;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether this paper mill is on the verge of closure for the last few years due to shortage of raw material and incurring of huge losses; and
- (d) if so, the details thereof and the steps taken by the Government to save the mill from closure?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRi G.M. SIDDESHWARA)

- (a) & (b): Cachar Paper Mill (CPM), after securing the fiber availability from the state of Mizoram, started producing at nearly full capacity from the end of January 2014 and recorded highest production as of date in comparison to its past six years production.
- (c) & (d): Yes, Madam. Owing to the non-availability of fiber in the last 3-4 years on account of gregarious flowering and later due to the imposition of ban on supply and transportation of bamboo by the state of Mizoram, the operational performance of CPM got adversely affected which pulled down the financial performance also. But since CPM started receiving bamboo from the state of Mizoram and subsequent improvement in production facilities, the FY 2014-15 has seen a turnaround.

The Government of India after realizing the problems faced by CPM has taken a slew of measures which includes grant for meeting its operational costs on account of transportation exclusively to mitigate the logistic disadvantages of CPM, and the company is expected to make a turnaround during the FY 2014-15. Moreover, Department of Heavy Industry has also provided working capital support for Cachar Paper Mill.