

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

UNSTARRED QUESTION NO:1491
ANSWERED ON:31.07.2003
UNPROFESSIONAL ACT OF HPCL
RAMJI MANJHI

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

- (a) whether the C & AG in its report no. 3 of 2003 (PSUs) on pages 90-91 has brought out the fact of the Hindustan Paper Corporation Limited (HPCL) acting in an unprofessional manner against the financial interest of the company and for not adhering to established marketing guidelines;
- (b) if so, whether the Government have looked into the matter and taken any action in this regard; and
- (c) if so, the details thereof?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI SUBODH MOHITE)

- (a) Comptroller and Auditor General of India (CAG) mentioned that the Hindustan Paper Corporation Limited (HPC) by non-adhering to established marketing guidelines and by inadequately supervising the activities of depot at Chandigarh, had to suffer loss due to non realization of dues of Rs.3.69 crore from a private party.
- (b) & (c): The investigation, prima facie, revealed gross financial irregularities committed by a few employees in Marketing and Finance Wing of the Company including those at Chandigarh Depot. The Company placed 6 out of 9 such erring officials under suspension and initiated regular Departmental action against all the 9 officials. HPC has reported the matter to Central Bureau of Investigation (CBI) Chandigarh who have launched criminal proceedings against the Depot Incharge and the private party concerned. HPC has also filed legal suit against the private party which is presently sub-judice.