

Mysore Paper Mills Modernization Project



Mysore Paper Mills

Outline of Loan Agreement

Loan Amount / Disbursed Amount	2,381 million yen / 2,374 million yen
Loan Agreement	December 1988
Terms & Conditions	Interest rate 2.5%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	August 1999

Project Outline

The project involved the modernization/rehabilitation of superannuated equipment and devices and the installation of new equipment at the Mysore Paper Mills in the state of Karnataka in southwestern India, in order to increase productivity and strengthen environmental measures.

Results and Evaluation

The Mysore Paper Mills manufactures newsprint and general paper, and in installing an in-house generator and circulated fluidized bed (CFB), this project effected an increase in productivity by guaranteeing stable supplies of power and steam.

During pre-project 1998 and post-completion 2000, an approximately 36% reduction was made in energy costs vis-à-vis the production of 1 ton of paper, and operational shutdowns dropped to around 60% of pre-project levels. Independent efforts by plant staff and upgrading of other devices have facilitated increases in overall production of roughly 37%.

Moreover, SO₂ and NO_x emissions from the newly installed CFB boilers are around 70% of existing boilers and have thus contributed to improving environmental conditions in neighboring districts.

It is considered necessary for the executing agency to make efforts to strengthen its competitiveness by investing in new equipment and so forth, in response to deregulation in the domestic paper market and the abolition of government subsidies.