

एफसीआई अरावली जिप्सम एण्ड मिनरल्स इण्डिया लिमिटेड

FCI Aravali Gypsum and Minerals India Ltd.

पंजीकृत कार्यालय :
मांगूसिंह राजवी मार्ग, (पावटा 'बी' रोड)
जोधपुर (राजस्थान)
फोन : 0291-2544392 फैक्स-2544523

भारत सरकार का उपक्रम
(A Govt. of India Undertaking)
Mini Ratna - II Company

Regd. Office :
Mangu Singh Rajvi Marg (Paota 'B' Road)
JODHPUR (Rajasthan)
Tel : 0291-2544392, Fax :0291-2544523
E-mail : fagmil-rj@nic.in
fagmil1@rediffmail.com
Website : www.fagmil.nic.in



FCI Aravali Gypsum
and Minerals India Ltd.

Ref. No

FAGMIL/DGM(F)/MAB/PA/19-20/1529

Date :

16.11.2019

To,

Ms. Archana Taneja,
Sr. Audit Officer (HO)
Indian Audit & Accounts Department
Office of the Principal Director of Commercial
Audit & Ex-Officio Member, Audit Board-II
4th Floor, Annexe Building,
10, Bahadur Shah Zafar Marg,
New Delhi - 110 002

Speed Post

Sub: Reply to the para issued by inspection audit for the F.Y. 2017-18 to 2018-19
(August 2019) - reg.

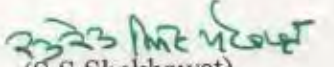
Respected Madam,

With reference to the captioned subject, enclosed herewith please find parawise replies for the paras issued in respect of inspection audit of our company for the F.Y. 2017-18 to 2018-19 (August 2019) for your perusal.

In view of the explanation given, you are requested to kindly drop the paras.

Thanking you.

For and on behalf of
FCI Aravali Gypsum & Minerals India Ltd.


(S.S. Shekhawat)
General Manager

Encl: a/a

हम हिन्दी में पत्र व्यवहार का स्वागत करते हैं।

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Before replying to the audit queries it is imperative to know about the major policy changes since 2014-15 for the gypsum industry which has affected the working of the whole industry adversely.

FCI Aravali Gypsum and Minerals India Limited (FAGMIL) came into existence in the year 2003 as a result of demerger from the then Fertilizer Corporation of India Ltd. Since then the company has done exceptionally well till 2013-14 but its performance declined sharply from 2014-15 onwards due to following reasons:

(i) Earlier looking to the use of gypsum in the agriculture sector and being important mineral, mining leases of gypsum were granted to the State and Central PSU's (RSMML and FAGMIL) only till 20th July 2007. However looking into the need of PoP producers the State Government vide notification dated 21st July 2007 allowed grant of gypsum mining leases to private parties for the captive use in PoP production with certain conditions of investment. Further, vide Gazette Notification dated 14.07.2014 the State Government has opened the grant of mineral concessions of gypsum for all, as per the provisions of MCR 1960 and specific conditions like captive use etc. were removed.

(ii) The category of Gypsum has been changed from Major mineral to Minor mineral w.e.f 10th February, 2015 due to which it has come under the domain of the State Government and the grant of mineral concessions of gypsum are opened even for farmers in whose land gypsum exist. This has further affected the market share of PSU's.

Gypsum is a surface mineral and thus susceptible to illegal mining. The above policy changes have adversely affected the business of Government companies. The sale of FAGMIL and RSMML has declined sharply as given in the following table:

Year	Sales (LMT)		Sales Turnover (Rs. Crore)	
	FAGMIL	RSMML	FAGMIL	RSMML
2013-14	9.29	22.66	88.59	134.22
2014-15	8.37	18.46	82.44	112.43
2015-16	7.30	11.99	63.80	82.68
2016-17	5.64	9.19	51.31	66.40
2017-18	4.29	7.66	48.61	53.66
2018-19	4.27	5.90	51.29	41.04
Decline % from 2013-14 to 2018-19	54%	74%	42%	70%

It may be seen from the above table that performance of both the Government PSUs has declined sharply during last 5-6 years, although the decline in case of FAGMIL is less in comparison to RSMML and during 2018-19 FAGMIL has surpassed RSMML in Sales Turnover, first time in last 16 years. Thus, it is clear that FAGMIL is putting its best efforts to survive in the market under adverse business scenario.

Further it is also submitted that due to above reason the participation of the contractors against our NITs is also not so encouraging. Despite All India Advertisement we could get 2-4 parties only against maximum tenders. It was also observed that due to stipulation of

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

vehicles/machineries requirement in NIT the response of contractors was very poor, therefore, a proposal was moved for approval of Board regarding change in the vehicles requirement for ROM contracts. Board in its 84th meeting held on 28.11.2017 approved that the Hydraulic Excavator (not older than 5 years at the time of floating of the NIT) engaged should be in the name of tenderer/partner's name/Hiring agreement on suitable stamp paper/ or an affidavit to be submitted along with the bid for arranging suitable excavator after getting the work order. Thereafter necessary changes were made in the NITs. (copy of Board Resolution is enclosed at **Annexure I**)

In the backdrop of the above status the para-wise replies are furnished as hereunder:-

Para 1: Irregular award of work: Rs 14.47 crore

FCI Aravali Gypsum & Minerals India Limited (FAGMIL) is engaged in mining of Gypsum from various mines allotted by the Government of Rajasthan. The company awards the work of mining of gypsum to various contractors on the basis of competitive bidding. The company issues NIT for award of mining work. As per clause (iv) of the eligibility criteria of the tender notices, the tenderers should note that the vehicles included by them for claiming eligibility under the tender should not be included elsewhere for claiming such eligibility. In case the tenderer does so, then it should be clearly stated along with the details thereof in the letter of offer.

Scrutiny of records revealed that the company awarded 7 contracts valuing Rs 9.23 crore during June 2015 to November 2018 to M/s Jain Transport Company, Bikaner with total allotted capacity of 6,40,000 MT. Similarly, the company awarded 5 contracts to M/s Raj Gypsum Udyog, Bikaner with total allotted capacity of 3,30,000 MT during October 2016 to June 2018 valuing Rs 5.24 crore.

In all the above contracts, it was observed that the contractors produced the same list of vehicles to be used for execution of work, as already produced in their other ongoing works (**Annexure enclosed**). Further, the contractors even submitted declarations regarding non-utilisation of these vehicles for other purposes. However, despite giving wrong declarations and producing list of same vehicle which were already in use in other contracts, the company declared them technically qualified and awarded the work. As a result of this, full capacity utilisation of allotted capacity could not be done and extensions were granted.

Thus, the bids of these contractors were irregularly technically qualified against the terms and conditions of NIT which resulted in irregular award of 12 contracts valuing Rs 14.47 crore.

Reply: In our company we are having mainly two type of contracts pertaining to production i.e. for ROM Gypsum and Powder Gypsum. The requirement of machinery/vehicles in both the contracts is different as under:

(i) **For ROM contracts –**

(a) By Road

Upto 28.11.2017

The Hydraulic Excavator engaged should be of 0.9 Cub meter Capacity or equivalent model not older than three years at the time of floating of NIT and **should be in the name of the Tenderer.**

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

After 28.11.2017

The Hydraulic Excavator (not older than 5 years at the time of floating of the NIT) engaged should be in the name of tenderer/partner's name/**Hiring agreement on suitable stamp paper/ or an affidavit to be submitted along with the bid for arranging suitable excavator after getting the work order.**

(b) By Rail

Upto 28.11.2017

1. The Hydraulic Excavator (0.9 m³ Capacity or equivalent model not older than three years at the time of floating of NIT) **should be in the name of Tenderer.**
2. The party should have at least two trucks in their own name or in any of the partner's name.
3. Three mechanical loaders **should be in the name of Tenderer.**

After 28.11.2017

1. The Hydraulic Excavator (not older than 5 years at the time of floating of the NIT) engaged should be in the **name of tenderer/partner's name/Hiring agreement on suitable stamp paper/ or an affidavit to be submitted along with the bid for arranging suitable excavator after getting the work order.**
2. The party should have at least two trucks in their own name or in any of the partner's name.
3. Three mechanical loaders (not older than 5 years at the time of floating of the NIT) engaged should be in the name of tenderer/partner's **name/Hiring agreement on suitable stamp paper/ or an affidavit to be submitted along with the bid for arranging suitable excavator after getting the work order.**

(ii) **For Powder contracts-**

Upto 28.11.2017

The party should have at least two trucks in their own name or in any of the partner's name.

After 28.11.2017

The party should have at least two trucks in their own name or in any of the partner's name.

The eligibility of the party is evaluated on the basis of above parameters only.

The point raised by the audit for the two parties i.e. M/s Jain transport Co. and M/s Raj Gypsum Udhyog is clarified as under:

Jain Transport Company

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

S. N o.	NIT No. Name of Mines	Name of Participant Bidders	Eligibility Criteria w.r.t. vehicle / machinery	Machinery Details submitted by the tenderer	Eligibility w.r.t. the laid down criteria in the NIT
1.	31B/2014 date 28.04.2015 5 RP-III Mines for ROM Gypsum	M/s. Jain Transport Company Period – 01.06.2015 to 31.07.2017	Hydraulic Excavator should be 0.9 cub meter capacity or equivalent model not older than three years at the time of floating of NIT and should be in the name of tenderer.	(1) Hyundai R210-7 S.No. N601D00327 (2) Tractor RJ07RB6761 (3) Trailer RJ07GB0322, RJ07GB0422, RJ07GB0522, RJ07GB0622	Hydraulic Excavator R210-7 S.No. N601D00327 was with the party so eligible. Details of tractor / trailers is not required to be checked.
2	44/2015 Dated 21.10.2015 5 Bharu Mines Powder Gypsum	M/s. Jain Transport Company Period – 01.12.2015 to 30.11.2018	Two trucks in their own name or in partner's name.	(1) Hyundai R210-7 S.No. N601D00338 (2) Tractor RJ07RB6761 (3) Trailer RJ07GB0622, RJ07GB0722, RJ07GB0822, RJ07GB0922	Party submitted the details of 4 trucks as against the requirement of 2 trucks (RJ07GB0722, RJ07GB0822) , thus the party was eligible. Details of hydraulic excavator is not required to be checked.
3	42C/2015 Dated 14.01.2016 6 RP Main Mines Powder Gypsum	M/s. Jain Transport Company Period – 16.02.2016 to 15.04.2018	Two trucks in their own name or in partner's name.	(1) Hyundai R210-7 S.No. N601D00327 (2) Tractor RJ07RB6761 (3) Trailer RJ07GB0522, RJ07GB0622, RJ07GB0722	Party submitted the details of 3 trucks as against the requirement of 2 trucks (RJ07GB0522, RJ07GB0622) , thus the party was eligible. Details of hydraulic excavator is not required to be checked.
4	52A/2017 Dated 01.11.2017 7 Kaoni Mines ROM Gypsum	M/s. Jain Transport Company Period – 06.12.2017 to 05.12.2019	Hydraulic Excavator should be 0.9 cub meter capacity or equivalent model not older than three years at the time of floating of NIT and should be in the name of tenderer.	(1) Hyundai R215LC-7 Hydraulic Excavator S.No. N603D02231 (2) Tractor RJ07RB5760, RJ07RB6761 (3) Trailer RJ07GB0922, RJ07GB1022	Hydraulic Excavator R215LC-7 S.No. N603D02231 was with the party so eligible. Details of tractor / trailers is not required to be checked.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

5	49B/2017 Dated 30.11.2017 7 Padampu ra Mines ROM Gypsum	M/s. Jain Transport Company Period – 11.01.2018 to 10.01.2020	Hydraulic Excavator (not older than 5 years) engaged should be in the name of tenderer/partners name/hiring agreement on suitable stamp paper/or an affidavit to be submitted along with bid for arranging suitable excavator after getting work order	(1) Hyundai R215LC-7 Hydraulic Excavator S.No. N603D02231 (2) Tractor RJ07RB5760, RJ07RB6761 (3) Trailer RJ07GB0922, RJ07GB1022	Although party submitted the details of the same Hydraulic Excavator R215LC-7 S.No. N603D02231 but as per changed conditions in the NIT where a simple hiring agreement / affidavit was also acceptable, therefore, being the regular contractor this point was not insisted religiously. Details of tractor / trailers is not required to be checked.
6	55B/2018 Dated 25.01.2018 8 MGM-II Mines ROM Gypsum	M/s. Jain Transport Company Period – 01.05.2018 to 30.04.2020	(1) Hydraulic Excavator and three mechanical loaders (not older than 5 years) engaged should be in the name of tenderer/partners name/hiring agreement on suitable stamp paper/or an affidavit to be submitted along with bid for arranging suitable excavator after getting work order. (2) Two trucks in their own name or in partner's name.	(1) Hyundai R215LC-7 Hydraulic Excavator S.No. N603D02231 (2) Tractor RJ07RB5760, RJ07RB6761 (3) Trailer RJ07GB0922, RJ07GB1022 (4) Escort Backhoe Loader RJ07EA0878	Although party submitted the details of the same Hydraulic Excavator R215LC-7 S.No. N603D02231 but as per changed conditions in the NIT where a simple hiring agreement / affidavit was also acceptable, therefore, being the regular contractor this point was not insisted religiously.
7	66/2018 Dated 29.09.2018 8 Kishanpu ra-A mines Powder Gypsum	M/s. Jain Transport Company Period – 05.11.2018 to 04.11.2020	(1) Two trucks in their own name or in partner's name.	(1) Hyundai R210 Hydraulic Excavator S.No. N633D00910 (2) Tractor RJ07RB5760, RJ07RB6761 (3) Trailer RJ07GB0922, RJ07GB1022 (4) Escort Backhoe Loader RJ07EA0878	Party submitted the details of 2 trucks as against the requirement of 2 trucks (RJ07GB0922, RJ07GB1022) , thus the party was eligible. Details of hydraulic excavator is not required to be checked.

Thus, it is clear from the above that out of 7 cases, 5 cases were scrutinized as per NIT stipulations and for 2 cases (after 28.11.2017) the point of vehicles / machinery was not insisted religiously as with the Board's approval the parties were eligible even on the basis of an affidavit. Therefore, the technical evaluation was done correctly.

Raj Gypsum Udhog

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

S.No.	NIT No. Name of Mines	Name of Participatant Bidders	Eligibility Criteria w.r.t. vehicle / machinery	Machinery Details submitted by the tenderer	Eligibility w.r.t. the laid down criteria in the NIT
01	48/2016 Dated 04.08.2016 RP-I Mines for Powder Gypsum Period – 12.10.2016 to 11.10.2018	M/s. Raj Gypsum Udhog	Two trucks in their own name or in partner's name.	(1) Truck RJ31GA3543, RJ13GA4543, RJ31GA3343	Since the other tenderers also submitted the details of same machinery, therefore, M/s Raj Gypsum Udhog was also considered eligible in technical evaluation.
		M/s. Pawan Kumar Labour Contractor		(1) Trailer RJ07GA3564, RJ07GB3564, RJ07GC3564 - Hiring agreement (2) Truck RJ131G0660- own name (3) Tractor RJ21RD1257, RJ13RA4490 (4) JCB 3DX EXCAVATOR LOADER 2013 RJ13EA0512	
		M/s. Sihag Gypsum Udhog		(1) Trailer RJ31GA5006, RJ31GA5770, RJ31GA4686 (2) Hydraulic Excavator EX200LCi S.no. 2001-14188	
		M/s. Jain Transport Company		(1) Hyundai R215LC-7 Hydraulic Excavator S.No. N603D02231 (2) Tractor RJ07RB6761 (3) Trailer RJ07GB0622, RJ07GB0722, RJ09GC1322	
02	47/2016 Dated 04.08.2016 Randhisar Mines Powder Gypsum Period – 12.10.2016 to 11.10.2018	M/s. Jain Transport Company	Two trucks in their own name or in partner's name.	(1) Hyundai R215LC-7 Hydraulic Excavator S.No. N603D02231 (2) Tractor RJ07RB6761 (3) Trailer RJ09GC1322, RJ07GB0622, RJ09GB0722	Since the other tenderers also submitted the details of same machinery, therefore, M/s Raj Gypsum Udhog was also considered eligible in technical evaluation.
		M/s. Pawan Kumar Labour Contractor		(1) Truck RJ131G0660- own name (2) Tractor RJ21RD1257, RJ13RA4490 (3) JCB 3DX EXCAVATOR LOADER 2013 RJ13EA0512	
		M/s. Sihag Gypsum Udyog		(1) Trailer RJ31GA5006, RJ31GA5770, (2) JCB 3DX 2WD RJ31EA0469 MODEL 2013	
		M/s. Raj Gypsum Udyog		(1) Truck RJ31GA3543, RJ13GA4543, RJ31GA3343 (2) JCB 3DX 2WD RJ31EA0205	
03	58/2017 Dated 09.05.2018 Khal Mines	M/s. Sihag Gypsum Udyog	Hydraulic Excavator (not older than 5 years) engaged should be in the name of tenderer/partne	(1) Trailer RJ31GA4586 (2) JCB 3DX 2WD RJ31EA0469 MODEL 2013	Since M/s Raj Gypsum has submitted the affidavit, the party was eligible. Details of trucks
		M/s. Jain Transport Company		(1) Hyundai R210 S.No. N633D00910 (2) Trailer RJ09GC1322, RJ07GC6222	

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

	ROM Gypsum Period – 16.06.2018 to 15.06.2020	M/s. Raj Gypsum Udyog	rs name//hiring agreement on suitable stamp paper/or an affidavit to be submitted along with bid for arranging suitable excavator after getting work order.	(1) Affidavit on suitable stamp paper submitted. (2) Truck RJ31GA3543, RJ13GA4543, RJ31GA3343	are not required to be checked.
04	61A/2018 Dated 17.03.2018 Thethar Mines Transportation Period – 29.03.2018 to 28.03.2019	M/s. Raj Gypsum Udyog	Two trucks in their own name or in partner's name.	(1) Hydraulic Excavator EX200iLC S.No. 2001- 13605 model 2011 (2) Truck RJ31GA3543, RJ13GA4543, RJ31GA3343	Since the other tenderers also submitted the details of same machinery, therefore, M/s Raj Gypsum Udyog was also considered eligible in technical evaluation.
		M/s. Sihag Gypsum Udyog		(1) Trailer RJ31GA4586, RJ31GA5770, RJ31GA5006	
		M/s. Pawan Kumar Labour Contractor		(1) Truck RJ131G0660, RJ07GA4746 (2) JCB 3DX EXCAVATOR LOADER 2013 RJ13EA0512	
05	53D/2017 Dated 09.05.2018 Kupli Mines ROM Gypsum Period – 16.06.2018 to 15.06.2020	M/s. Raj Gypsum Udyog (Sole Tenderer)	Hydraulic Excavator (not older than 5 years) engaged should be in the name of tenderer/partne rs name//hiring agreement on suitable stamp paper/or an affidavit to be submitted along with bid for arranging suitable excavator after getting work order.	(1) Affidavit on suitable stamp paper submitted. (2) Truck RJ31GA3543, RJ13GA4543, RJ31GA3343	Since party has submitted the affidavit, the party was eligible. Details of trucks are not required to be checked.

Thus, it is clear from the above that out of 5 cases, 2 cases were scrutinized as per NIT specifications. For remaining 3 cases since the other parties also submitted the details of same vehicles. Therefore, the point of vehicle/machinery was not insisted, to finalise the tender without going for retendering.

In view of the above it is submitted that considering the poor response of the tenderers against our NITs, the vehicle / machinery requirement was changed in our NITs after 28.11.2017. All the parties, to whom the work was awarded, carried out the job successfully to our entire

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

satisfaction. The parties are deploying the different set of machineries in different mines as the one machine cannot be used at two places simultaneously.

The contention of the audit that since the contractor have submitted the same list of vehicles and it has resulted into the lesser capacity utilization of the allotted capacity of the company is not correct. The reason of lesser capacity utilization is low demand as elaborated in the opening para.

Thus, from the above it is clear that all the above contracts were awarded with due diligence and there was no irregularity as pointed out by the Audit Therefore, the above para may kindly be dropped.

Para 2: Delay in completion of Single Super Phosphate (SSP) project led to blockage of fund amounting to Rs 5.23 crore (cost of land) and infructuous expenditure of Rs 1.36 crore due to the project becoming unviable.

FCI Aravali Gypsum & Minerals India Limited (FAGMIL) (the company) as per suggestion of Department of Fertilizers (DoF) (Minutes dated 9.2.2011) (February / March 2011) which is under the administrative Ministry of Chemical & Fertilizers had decided to take up the Single Super Phosphate (SSP) project to ensure quality product at reasonable price for farmer. The DoF granted 'in principle' approval (December 2012) for installation of SSP plant with production capacity of 2.40 lakh Metric Ton (MT) per annum at a total project cost of Rs 81.60 crore.

The Government of Rajasthan issued order for allotment of land on lease for 99 years (August 2013) admeasuring area of 11.01 hectare for establishing SSP plan in Pandoli at Chittorgarh (Rajasthan). The company deposited Rs 52290747/- or Rs 5.23 crore (approx) (September 2013) as cost of land and incurred other related expenditure of Rs 1.36 crore as detailed in **Annexure**.

Further, the company obtained the Environment clearance from Rajasthan State Pollution Control Board (RSPCB) (February 2016) with a 'Consent to Establish' (November 2016) having a validity period up to 31 March 2019. The land of project site was handed over by district administration to the company on 25.01.2017.

The company appointed M/s Project Development India Limited (PDIL) as Project Management Consultancy (PMC) through limited tendering process on L-I basis for SSP project at the total cost of Rs 2.84 crore inclusive of taxes . Accordingly, work order was awarded to PDIL (February 2016). As per work order, the scope of work was divided in two parts, first part comprises of topographical survey and soil investigation, pre award PMC services, selection of Lump Sum Turn Key1 (LSTK) contractor and preparation of Bankable Feasibility Report at a cost of Rs 1.21 crore whereas second part comprises of Post award PMC services, inspection / expediting Services at a cost of Rs 1.64 crore and project to be completed in 24 months from date of acceptance of order i.e. 11.03 2016. Thus project was actually to be completed till 10.03.2018. Here it is pertinent to mention that on the request of M/s PDIL, PMC work order was extended (July 2018) by competent authority up to 19.12.2019.

The activities undertaken by PDIL is detailed below –

¹ LSTK stands for Lump Sum Turn Key. This is a contractual agreement in which a fixed price is agreed for the execution of a project or part of a project. Once the final development is completed a finished functioning asset is handed over to the client, hence the term "Turn Key" which effectively means ready to operate

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

M/s PDIL floated Notice Inviting Tender (NIT) on 18.04.2017 for Lump Sum Turn Key (LSTK) job but the tender couldn't be finalized as no bid was received. NIT was again issued on 16.01.2018 with the revised cost (bid opening date was 26.02.2018) based on the pre-bid meeting. M/s PDIL recommended to issue a corrigendum, regarding experience of bidders and water & power consumption during construction period, and tender opening date was extended till 19.03.2018 but since only two bidder participated, PDIL recommended for further extension up to 09.04.2018 which was accepted by the company, but still no other participants came. Therefore Technical bid was opened on 10.04.2018. M/s PDIL took more than 3 months to evaluate the tender and finally the tender was cancelled on 17.07.2018. M/s PDIL couldn't open the price bid due to non-functioning of their electronic key. Thus there was no option but to cancel the tender again on 21.07.2018. After that, fresh NIT was issued with due date of opening as 20.08.2018 but only one bid was received due to which the date was extended up to 27.08.2018 but still no other party participated. Therefore due date was again extended up to 03.09.2018. Finally two bids were received whose technical bids were opened on 04.09.2018 and price bids were opened on 04.10.2018 wherein the offer of L-1 bidder (M/s Simon India Limited) was Rs 135.30 crore which was 215% higher than the estimated cost.

PDIL floated tender for Non-LSTK work on 04.05.2018 but no bid was received even after extending the tender opening date twice i.e. 04.06.2018 and 18.06.2018. The date was again extended up to 02.07.2018. Three bids were received which were opened on 03.07.2018, but tender was cancelled on 08.08.2018 due to non submission of requisite documents for technical qualification by the parties. Thereafter the tender was issued second time on 10.08.2018, but up to due date only two bids were received, the date was extended twice i.e. up to 27.09.2018 and 03.10.2018. On 04.10.2018 three technical bids were opened. After scrutiny, only two bidders were found to be techno commercially acceptable and recommendation was sent by PDIL to the company. However no action was taken on recommendation of PDIL for non LSTK tender.

M/s PDIL published NIT (January 2018) for construction of boundary wall, the work order was awarded to M/s Metal Engineering on 23.03.2018 for a value of Rs 1.89 crore (revised to Rs 1.94 crore) with the completion period of 6 months i.e. up to 22.09.2018. The company paid Rs 41.10 lakh (up to August 2019).

As the project was getting delayed, in this regard, Secretary (Finance) directed that PDIL be invited for clarification of status on SSP project. In this regard a letter was issued (December 2018) to PDIL seeking detailed explanation for the lapses committed by PDIL of work order dated 24.2.2016 that even after expiry of 33 months PDIL has not been able to finalise the required contract. As a consequence of no reply from PDIL, the company in its 90th Board meeting (February 2019) blacklisted PDIL from working in the company for a period of 3 years w.e.f. 10.01.2019 and to forfeit its security deposit of Rs 13.20 lakh. Meanwhile, PDIL in its letter (January 2019) stated that on execution of project on EPCM model in place of LSTK mode, as per revised estimate, the cost of production would be Rs 8188 per MT against the sales realization of Rs 7334 per MT for Granulated SSP, and recommended that taking up of project will be economically unviable.

Further, PDIL requested company to reconsider stand on blacklisting, which was put to Board on 23.02.2019. The factual position of SSP plant with reference to blacklisting of PDIL with point wise charges of FAGMIL, PDIL's reply and FAGMIL's **strong** view point on PDIL's reply was put up in a memorandum for the Board of Directors wherein CMD stated that ***"I am not satisfied with the proposed agenda note. This has to be clear proposed in front of the Board. Based as under (i) Based on factual position brought out by PDIL in its two letters the blacklisting of***

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

PDIL decision to be reversed. No benefit would accrue to any one if a PSU of DoF decides to blacklist another PSU of DoF.(ii) Based on revised cost estimate, utilisation scenario the proposed SSP project does not seem to be viable based on calculation" .Based on recommendation of CMD the company in its 91 st Board meeting (June 2019) decided that PDIL shall not be blacklisted and concluded that SSP project will not be viable, therefore this project should not be pursued any further.

In this connection Audit observed the following:

(i)The company made an expenditure of Rs 6.59 crore (up to August 2019) out of which Rs 5.24 crore (approx) constitutes land cost which is 79.51 % of total expenditure incurred by the company on SSP project since September 2013. Apart from land cost, Rs 1.36 crore were incurred on various activities such as stamp duty, environment clearance, consent to establish shifting of lease rent, electric line, PMC charges topographical and geo- technology survey, boundary wall construction etc. Due to non execution of the project as per time schedule makes project unviable, which ultimately led to blocking up of funds amounting to Rs 5.24 crore (land cost) and Rs 1.36 crore being infructuous expenditure (August 2019) .

(ii)The company is liable to pay lease rent of Rs 55,050 per annum to State Government of Rajasthan on allotted land. The company paid Rs 3.30 lakh² as lease rent during the period from 2013-14 to 2018-19 which became infructuous considering the fact that SSP project has become unviable.

(iii) As per condition mentioned in land allotment letter (August 2013) that if the SSP plant was not established within 2 years from date of allotment then the land will be reverted back to State Govt. of Rajasthan unless this period is extended by competent authority on reasonable grounds. As SSP project could not be started and has become unviable so as per condition mentioned in allotment letter the land would be taken up by the state government without getting refund from state government of Rajasthan. The action / measures (if any) undertaken by the company to safeguard Rs 5.23 crore may be apprised to Audit.

(iv) As per the time schedule , SSP project was to be completed by 10.03.2018 i.e. 24 months from the acceptance of work order by PDIL (February 2016) whereas the project got delayed and even PDIL was not able to finalize the required contract within stipulated time schedule and finally the project was declared unviable.

(v) The validity of "Consent to establish 'accorded by SPCB was valid up to 31.03.2019. In this regard FAGMIL in its letter (October 2018) to SPCB requested for extension of consent to establish validity up to 31.03.2022. **The approval for extension by SPCB is not received till date.**

(vi) There has been undue delay of almost a year from floating of NIT (April 2017) for LSTK tender to opening of technical bid (April 2018). Further PDIL took 3 months to evaluate technical bid. The price bid could not be opened due to non functioning of electronic key by PDIL, therefore tender need to be cancelled. As per original time schedule LSTK contract was to be finalized by 31.03.2017 which was later revised as 20.06.2018 but PDIL could not finalize the contract. Later fresh NIT was issued (July 2018) in which L-1 rate was 215 % higher than estimated cost. Audit observed that there has been hike of 53.35% in comparison to revised project cost Rs 98.70 crore (2017) and cost as per 2018 i.e. Rs 151.36 crore over a period of one

² Rs 55050p.a x 6 year=Rs 330300/- (from 2013-14 to 2018-19)

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

year is unjustified, which has also been corroborated by the records of the company. It shows that PDIL has either not made the proper estimation in 2012 and 2017 or made excess estimation in 2018. As per PDIL recommendation (December 2018) that except SSP plant, all the facilities such as land development, civil & structural work of all non plant buildings, plant sheds etc., electrical and instrumentations and fire fighting system may be executed on EPCM³ (Engineering, Procurement, Construction and Management) basis as they were not aware about the detailed engineering of the parties based on which they have quoted the price shows that PDIL was not aware about the detailed engineering of the plant which indicates lackadaisical approach in moving the project in an efficient manner. It is the responsibility of consultant (PDIL) to ensure execution of work, with accuracy, quality standard, as per technical specification etc. However the same has not been carried out by PDIL in a judgmental way and specifically and in a time bound manner. This all leads to avoidable delay in execution of project which requires clarification with proper justification thereof.

(vii) Further, company in its letter to PDIL (December 2018) which pertains to construction of boundary wall has stated that no job was undertaken by the party for laying of foundation & plinth level but the party raised the bill of Rs 2.30 lakh which was forwarded by PDIL and paid by company. During onsite inspection by the company it was found that this job was not even started. This shows gross negligence on behalf of PDIL, that PDIL has not verified the bill with the quantum of work done by the contractor and certify it as correctly which is inappropriate and irregular. Further, PDIL stated that due to undulation of land, construction is not possible in certain parts. The land leveling job was part of LSTK contract, if that was made part of boundary wall construction, the cost of boundary wall will increase by Rs 117 lakh and also stated that contractor of boundary wall construction is not enough to work on terrain. Based on above, it is ascertained that PDIL was very informal and unprofessional because being consultant it was the responsibility of PDIL to advise company to undertake job on EPCM mode instead of LSTK mode at appropriate stage and carry out the job satisfaction, which did not reflect the professional approach of PDIL.

(viii) Detailed status report of PDIL stated that considering the revised estimate, on execution of project on EPCM mode in place of LSTK mode the plant cost comes to Rs 80.58 crore (excluding taxes and duties) as against Rs 51.37 crore earlier in LSTK mode and as per the revised estimate of SSP plant, project capital cost is estimated at Rs 151.36 crore as against Rs 98.70 crore stipulated earlier. This resulted in increase of cost by Rs 52.66 crore further to it management estimated profitability at different level of capacity utilization and observed that the project will not earn any profit up to 50 % capacity utilization and it will give profit of Rs 91 per MT which is 1 % of the sales value. This resulted in making the project non feasible with cost overrun over a period of time without serving the purpose for which the project was taken since inception.

(ix) The company in its 91st Board meeting (June 2019) reversed the decision of blacklisting of PDIL based on CMD recommendation without taking up the factual position of SSP plant with reference to blacklisting of PDIL with point wise charges of FAGMIL, PDIL's reply . On reviewing the reply given by the company in response to PDIL's reply, it was observed that the same has been strongly contradicted by the company with proper explanation and justification which seems to be satisfactory. Audit opined that company's view point needs to be presented

³ Engineering, Procurement and Construction Management (EPCM) is a special form of contracting arrangement. In an EPCM arrangement, the client selects a contractor who provides management services for the whole project on behalf of the client.

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before board considering the fact that it was related to the reversal of board decision where PDIL has been blacklisted. However, the same has not been put up to board and it has been stated by the competent authority that *"I am not satisfied with the proposed agenda note .This has to be clear proposed in front of the Board. Based as under....."* (As per Agenda which was decided to put up for 91st Board meeting dated 26.6.2019). The reasons for not keeping the company view point on PDIL reply before Board needs clarification, considering the fact that PDIL was blacklisted earlier due to its failure to execute the job in competent manner and not taking due interest in the project and not been able to finalize contract even after lapse of 33 months.

Based on above observations, it is concluded that ambitious SSP project could not take-off as per schedule time frame and become unviable based on present scenario on various components / parameters which ultimately leads to blockage of Government of India funds amounting to Rs 5.23 crore and infructuous expenditure of Rs 1.36 crore (August 2019).

Annexure

Details of expenditure incurred under various heads on SSP Project (up to August 2019)

Sl. No.	Item Description	Actual Cost	Name of the Party	Date of Payment
1.	TEFR Study	748000	PDIL	
2	Land at Pandoli	52290747	Rajasthan Government	19-09-2013
3	Stamp duty/ surcharge/ Registration fee	1491023		22-01-2014
4	Environment clearance	1138290	Mantec	26-05-2016
5	For conducting public hearing	30000	RPCB, Chittorgarh	18-12-2014
6	Consent to establish	277000	RSPCB, Jaipur	14-07-2016
7	Shifting of Electric line	1387889	AVVNL, Chittorgarh	04-11-2016
8	PMC charge 1st bill	1211066	PDIL	01-12-2017
9	Topographical survey	138250	Techpro Engineers	27-04-2017
10	Geo Tech Survey	451203	Techpro Engineers	
11	Electricity application fee	2000	AEN, Rural (Electricity)	22-04-2018
12	Water pipe line DPR study	253000	PHED, Chittorgarh	02-05-2018
13	Boundary wall 1st bill	1488282	Metal Engineering	27-07-2018
14	Boundary wall 2nd bill	1979884	Metal Engineering	12-09-2018
15	33 KV file charge	29500	RRVNL, Chittorgarh	19-09-2018
16	Boundary wall 3rd bill	642432	Metal Engineering	01-11-2018
17	Lease payment	330300	Rajasthan Government	2013-14 to 2018-19
18	Rent of office at Chittorgarh for SSP project	397813	Kiran Kumar Dangi	Jan 15 to Aug'19
19	TA Claim & Other Misc.expenses for SSP project	1624170	Employees	
	Total	65910849		

Reply – After approval of the Board of FAGMIL and DoF, the company started the required activities from December' 2012 onwards for installation of SSP plant at Chittorgarh with the initial project cost of Rs.81.60 crore. The project was taken up on the basis of pre feasibility report prepared by PDIL. The company has spent Rs.6.00 crore appx. towards procurement of land, stamp duty, topographical and geo technical survey charges, boundary wall construction etc. The other related expenditure of Rs.0.59 crore appx. were incurred on various activities such

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

as TEFR study, environment clearance fee, consent to establish etc. Board in its 91st meeting held on 28.06.2019 decided that considering the industry capacity utilization norms, recommendation of consultant and change in market scenario, the SSP project will not be viable, therefore, this project should not be pursued further.

Point wise reply to the audit para are as under:

1. The Board in its 92nd meeting held on 20.09.2019 advised to explore the possibility of alternate use of land, which are under process. Thus there is a every possibility for using the land gainfully in future, moreover, there is always appreciation in the price of land, so as such there is no loss on this count. However, Rs.0.59 crore which was incurred in order to bring the project, based on the approved project proposal, appears to be infructuous but it is inevitable, as these were incurred on “Going Concern Basis”.
2. The payment of annual lease rent is a statutory payment which is required to be made for having the title of the land, so it is justified till we keep the land with us.
3. As per the land allotment letter if the SSP plant is not installed in 2 years the said land will be reverted back to Government of Rajasthan. It is not specifically written in the allotment letter regarding refund of amount deposited for land in case the land is reverted to Government of Rajasthan.

The company is exploring possibilities of alternate use of the Land.Vide our letter no. FAGMIL-6(24)/SSP-2(A)/692 dated 08.06.2019 (**Annexure-II**) we requested Industrial Department, Jaipur seeking their guideline for alternate use of the land. In response to our request, the District Administration, Chittorgarh vide letter राजस्व/12-3(6)12/930 dated 20.08.2019 (**Annexure - III**) requested us to submit the new project proposal for further consideration.

Moreover we have sought legal advice also which states that the State Government has no Legal Sanction and/or Permissibility to retain the “Price of the Land”, if FAGMIL surrenders the land. (**Annexure – IV**)

4. Further the complete reply of PDIL and justification to reverse the decision of black listing of PDIL which is a CPSU under DoF was presented to the Board and the Board Members were completely satisfied and took a unanimous decision.
5. The validity extension was sought by FAGMIL regarding validity of ‘consent to establish’ of our SSP project vide our letter no. FAGMIL – 6 (24)/SSP-7 (A)/1183 dated 06.10.2018. This matter was not pursued further as the project was shelved vide Boards decision dated 26.06.2019. (**Annexure – V**). Investment decisions are made based on appreciation of business conditions. As conditions change, decisions are reviewed and changed.

In view of the above para may kindly be dropped.

Para 3: Delay in Administrative decision led to cost escalation of Rs 4.07 crore

FCI Aravali Gypsum & Minerals India Limited (FAGMIL) purchased (October 2014) a land measuring 1560 square meter at Vivek Vihar, Jodhpur from Jodhpur Development Authority at a total cost of Rs.5.78 crore (land cost, lease cost and registry charges) for construction of its office building. The company appointed (September 2015 and December 2015) two consultants, one

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

for preparation of architectural design and estimate, and the other for Project Management Consultancy services along with tendering and other allied services at a contract value of Rs 5.40 lakh and Rs 8.23 lakh respectively for a period of 24 months. The consultant submitted (February 2017) a Bill of Quantity with an estimated cost of Rs 12.11 crore (including furniture and other items) for the construction of office building.

It was decided (February 2017) by the company to award the construction work by inviting tenders on an all India basis. Accordingly, the company invited (March 2017) tender for construction of office building (excluding furniture and other items) at an estimated cost of Rs 9.11 crore, with last date of submission of bid being 27/04/2017. As only three bidders participated in the tender, the Company went for retendering (June 2017) with a few revised criteria for technical qualification. As per the tender document, the bid was to open on 05/07/17 and the contract was to be completed within 15 months from the award date. Five bidders participated in the bid, out of which M/s Mid India Civil Erectors Private Limited, Indore was declared (02/08/17) L1 at a contract price of Rs 7.80 crore. The price bid evaluation committee recommended to award the contract to M/s Mid India Civil Erectors Private Limited at a contract price of Rs 7.80 crore with the contract completion period of 15 months from the date of work order.

The matter for finalisation of tender was placed before the Board of the company on 01/09/2017 in its 83rd meeting, in which the Board decided that a three member board level committee may be formed to verify the conceptual design, cost estimates, tender conditions and technical and financial condition of the L1 tenderer. The Board level committee did not submit any report. Further, the Board decided (84th Board meeting dated 28/11/17) to allocate the construction work to CPWD instead of awarding to the L1 contractor.

The company requested (January 2018) CPWD to take up the construction work against which CPWD prepared (May 2018) a revised estimate cost of Rs 15.75 crore, and the work was started by CPWD after deposit (November 2018) of requisite amount of one third of the estimated cost by the company.

Audit observed that:

1) The company's decision (September 2017) to form a Board level committee to verify the conceptual design, cost estimates, tender conditions and technical and financial condition of the L1 tenderer after finalization of the tender was unjustified and ill-timed as this should have been done in earlier stages of the work of architectural consultants and finalization of tender.

2) The committee did not submit any report. Even without getting any report, the Company cancelled the NIT without any substantial reason and decided to award the work to CPWD. The company even did not made any cost benefit analysis. As a result, cancellation of NIT and award of work to CPWD led to cost escalation of Rs 4.07 crore (Rs 15.75 crore - Rs 12.11 crore - Rs 0.43 crore).

3) The decision of the company to get the work executed through open tender was well deliberated, for which it also appointed (December 2015) PMC consultant for monitoring and other allied activities. Accordingly, the floated NIT and selected contractor. However, after finalisation of contract (July 2017), the company retracted from its earlier decision and decided

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

to get the work executed through CPWD without any substantial reason. Thus, the company changed its decision after a period of more than 18 months, which delayed the project.

4) Even in the case of execution of work through CPWD only, had the company taken timely decision to get the work executed through CPWD, the company could have saved Rs 3.37 crore as the CPWD Bill of Quantity (BoQ) cost was revised w.e.f. 01 April 2018 resulting in increase in cost indexation from 99 per cent to 126 per cent (based on PAR 01 October 2012).

Thus, due to cancellation of tender after finalization of bid without any substantial reason and award of work to CPWD without any cost benefit analysis led to cost escalation of the project by Rs 4.07 crore.

Reply – The issue of construction of Office Building at Jodhpur was pending since 2005. The Board in its 15th meeting held on 28.06.2005 desired that the company should have its own modern complex with all amenities at Jodhpur. Thereafter, continuous efforts were made to get the suitable land but it could not be materialised for the one reason or the other. Finally Board in its 64th meeting held on 11.02.2014 accord consent for purchase of the land from Jodhpur Development Authority (JDA) at Vivek Vihar, Jodhpur. The company made total payment towards land purchase (1560 m²) of Rs.5.78 crore during the year 2014.

Later on Board in its 67th meeting held on 29.08.2014 approved the proposal to construct office building of around 25000 square feet area after following normal tendering procedures. CMD was authorised to finalise the architects and the contracts for construction after following normal tendering procedures.

Accordingly, the architects were finalised and based on their plans and conceptual drawings a normal tender for construction of office building was floated for a value of Rs.9.05 crore (out of total cost estimate of Rs.12.11 crore) against which the L-1 tenderer quoted Rs.7.79 crore which was 13.93% less than the approved estimate, when the matter was placed before the Board for finalising the work order in its 83rd meeting held on 01.09.2017, Board observed that presently there is no civil engineer available in FAGMIL and the estimates prepared by the consultants has been relied upon. It was decided that the conceptual design, cost estimates, tender conditions, technical and financial capacity of the L-1 tenderer i.e. M/s Mid India, Civil Erectors (P) Ltd., Indore be scrutinised by a Board level committee. The committee was required to scrutinise the proposal of the company and submit its recommendations to the Board.

Due to pre occupation of the Board members, the Board level committee could not meet and thus no report was available till 28.11.2017. The Board in its 84th meeting held on 28.11.2017 decided that the fencing of the plot area should be done immediately to avoid encroachment on the land. Further considering the diversification prospects of the company such as SSP, Dolomite, and White Cement grade Limestone it would be appropriate to construct office building at Jodhpur for which land has already been procured from JDA. However, Board desired that construction should be done through CPWD.

Thereafter, Board in its 85th meeting held on 21.03.2018 approved the proposal for entering into an MoU with CPWD for construction of Office Building. CPWD shall be responsible for ensuring safety of the building and its parts thereof before starting the construction, based on the design provided by FAGMIL and approval of JDA.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Finally Board in its 86th meeting held on 27.06.2018 approved the proposal for construction of office building at a cost of Rs.15.75 crore

Thus it is clear from the above that the Board is fully concerned about the matter since 2005 and consistently providing the guidelines in this regard from time to time based on the prevalent conditions. The point wise reply of the audit para is as under:

1. Board took the decision as per its wisdom based on the prevalent conditions and was justified as there was no specialised Civil Engineer in FAGMIL.
2. The Board level committee could not meet, due to the pre occupation and other assignment of the Board members. However, Board in its 84th meeting held on 28.11.2017 took the considered decision, after deliberating the issue in detail, to construct the office building through CPWD as the designs and cost estimates could not be scrutinized.
3. The reply has already been furnished in para 1 above.
4. The issue raised by the audit regarding cost escalation of 4.07 crore is also not correct as it is imaginary and based on the assumptions only. If we compare both the cost estimates the position is as under:

(Rs. Crore)

Particulars	Own Construction	CPWD Construction
Original Estimate (preliminary)	12.11	15.75
Revised Estimate (detailed)	12.11	13.61
Tender Invited	9.11	13.61
L1 rate	7.80	10.71
Further NITs to be floated	3.00	0.00
Total Cost	10.80	10.71

Thus it may be seen from the above that under the earlier arrangement the total cost of the construction of office building would have been Rs.10.80 crore whereas under the CPWD regime the cost is expected to remain Rs.10.71 crore only, thus there is no cost escalation of the project and rather it is less as on date. Moreover in the earlier estimate the provision of electricity sub station was not there which has been provided in the CPWD estimate amounting to Rs.14.70 lakh. Thus the total estimated cost of the project in the CPWD mode is less than the earlier mode.

Since Board has taken the considered decision as per prevalent conditions and there is no cost escalation therefore, the para may kindly be dropped.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Para 4: Non submission of Security Deposit amounting to Rs 23.55 lakh by M/s Sihag Gypsum Udhog as per term and condition mentioned in the Notice Inviting Tender (NIT) and work order awarded.

The Company floated online tender for Raghunathpura –III (RP-III) Mines (Powder Gypsum) for supply of 1 lakh Metric Ton (MT) with an estimated cost of Rs 4.13 crore. Two bidders i.e. M/s Pawan Kumar labour Contractor, Suratgarh and M/s Sihag Gypsum Udyog, Hanumangarh were technically qualified and their price bids were opened on 10.11.2017. M/s Sihag Gypsum Udyog quoted rate of Rs 421 PMT and Pawan Kumar labour contractor quoted rate of Rs 425 PMT. Therefore, contract was awarded to M/s Sihag Gypsum Udyog being L-1(December 2017) for two years i.e. from 07.12.2017 to 06.12.19 with a total work order value of Rs 4.21 crore extendable for a further period of one year on the General terms & condition together with special terms and condition.

In this connection, Audit observed the following:

(i) As per work order, total security deposit (SD) amounting to Rs 25.72 lakh was to be deposited by M/s Sihag Gypsum Udyog (contractor). The contractor deposited Earnest Money Deposit (EMD) of Rs 2.17 lakh (October 2017). As per NIT clause GDCC para no.12, EMD was been retained and adjusted against the security deposit. Thus balance amount i.e. Rs 23.55 lakh (Rs 25.72 lakh minus Rs 2.17 lakh) was to be deposited towards security deposit immediately on receipt of work order within 15 days and before commencement of work. However, the contractor did not deposit security deposit till date (August 2019) which was against the terms and condition mentioned in the contract.

(ii) Further, the company deducted Rs 6.35 lakh as SD against contractor first bill on 1549.54 MT of quantity supplied amounting to Rs 6.52 lakh. Subsequently, the contractor in its letter (June 2018) to the company requested *“to release the payment of bills and to deduct 10 % of the billing amount each time towards security deposit”*. In this regard, tender committee decided / recommended (July 2018) that *the party to deposit balance amount of Rs 17.20 lakh (Rs 23.55 – Rs 6.35 lakh) towards SD or submit the BG immediately and in case the party fails to remit the SD , the balance amount of Rs 17.20 lakh to be recovered from their bills towards SD”*. Here it is pertinent to mention that there was neither any such clause mentioned in terms and condition of contract nor were published in the Notice Inviting Tender (NIT) to compensate the amount on SD by adjusting against the bills submitted by contractor. The methodology adopted / decided by the company is against / contradictory to agreed contract signed between both parties and thus leading towards a wrong practice / message to other parties/ contractors which would not be in the best financial interest of the company because security deposit is to be refunded after successful completion of jobs.

(iii) Security deposit is not a substitute to adjustment of pending bills but is a form of safeguarding financial interest of the company for the due and faithful fulfillment of the contract by the contractor till the expiry of the contract period. The efforts / action taken (correspondence if any) by the company to get the Security Deposit **after lapse of 15 days of work award** may be provided to Audit.

Reply: As clarified in the opening para that the performance of the company is going down due to market conditions and so the contractors are also drifting away from the company. The response of the contractors is very poor against our various NITs which are advertised on all India basis. The subject job for Raghunnathpura III mine was awarded to M/s Sihag Gypsum

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Udyog for 2 years i.e. 07.12.2017 to 06.12.2019 with a total work order value of Rs.4.21 crore for a total quantity of 1.00 LMT. But due to poor demand of the material the job started after 6 months (20.05.2018) and till date, when the work order is about to terminate, the job has been done only for 4,344 MT which is 4.34 % of the total contract. The total bill amount is Rs.18.19 lakh only. Party has carried out the job successfully as per our instructions and an amount of Rs.17.73 lakh has been adjusted from the bills towards security deposit, thus we have not made any payment to the party virtually against this contract.

The para wise reply is as under:

1. As the job was not started even after expiry of 6 months and we were having an EMD deposit of Rs.2.17 lakh, the party did not deposit the security deposit within 15 days. As on date we are having a security deposit of Rs.19.90 lakh with us whereas the party has executed the job of Rs.18.19 lakh only on which the security deposit, as per rules comes to Rs.1.61 lakh only. Thus we are having a security deposit of Rs.18.29 lakh in excess to safeguard the interest of the company.

2. As the committee recommended that party should deposit the balance amount of Rs.17.20 lakh towards SD or submit the BG immediately and in case the party fails to remit the SD, the balance amount of Rs.17.20 lakh to be recovered from the contractors bills. Since party did not deposit SD/BG therefore, the balance recovery was made from their bills. As on date we are having a security deposit of Rs.19.90 lakh against this contract. It is true that deduction of SD from the bills is not correct as it was not being explicitly mentioned in the NITs. This situation has arisen because of peculiar business conditions in the company and a proposal regarding recovery of SD from the running bills is under consideration, which will be made applicable in the future NITs after approval of competent authority.

3. As clarified in the above paras, the job was not started immediately; therefore, party did not deposit the security deposit within 15 days of award of work order. Thereafter, this mine has gone in the surrendering process. We have already approached mining department for surrendering this mine vide Form I dated 16.03.2019 (**Annexure VI**) and accordingly taking the requisite actions. Due to this reason we have not insisted for deposit of security deposit as no mining activities are being undertaken in this mine since 16.10.2018. Presently we are having sufficient security deposit against this contract to protect the interest of the company.

In view of above justifications the para may kindly be dropped.

Para 5: Loss due to non-utilisation of mining capacity: Rs 32.65 lakh

FCI Aravali Gypsum & Minerals India Limited (FAGMIL) is engaged in mining of gypsum in the state of Rajasthan. Directorate of Mines and Geology, Government of Rajasthan levies Dead Rent⁴ on the mines allotted to FAGMIL at prescribed rates⁵. Dead rent is adjustable against the royalty payable on actual mining of gypsum by FAGMIL to the Government of Rajasthan. In case when no mining is done, the amount payable as dead rent becomes loss to the company as it cannot be adjusted from the royalty payable.

⁴ Dead Rent is the rent fixed for mines, and it must be paid whether or not minerals are being extracted from the mines.

⁵ April 2017 to August 2017= Rs 2,000 per hectare per year, September 2017 to March 2019= Rs 4,000 per hectare per year.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Scrutiny of records revealed that during 2017-18, the company did not mine any quantity of gypsum in seven out of its 16 mines. As a result, these seven mines with total area of 615.997 hectare and allotted capacity of 6,75,000 MT remained unutilised. For these seven mines, a dead rent of Rs 19,50,656 was paid.

Further, during 2018-19, the company did not mine any quantity of gypsum in three out of its 16 mines and utilized only 36 MT out of 50,000 MT in Padampura mine. As a result, these four mines with total area of 329.78 hectare and allotted capacity of 1,65,000 MT remained unutilized/underutilised. For these four mines, a dead rent of Rs 13,14,618 was paid.

As a result, a total amount of Rs 32,65,274 was paid as dead rent for 10 unutilised and one underutilised mine with total area of 945.78 hectares and allotted capacity of 8,40,000 MT during 2017-19 which could not be adjusted from royalty. This resulted in loss of Rs 32.65 lakh to the company.

Reply – The production of the company from different mines for the period from 2014-15 to 2019-20 (upto October) is furnished in the following table:

PRODUCTION TREND IN MINES										
S.No.	NAME OF MINE	AREA IN HECTARE	PRODUCTION CAPACITY IN MT	PRODUCTION IN MT						REMARKS
				2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 (Upto Oct.)	
1	Mohangarh-I	200	100000	430892.62	0.00	124700.00	59512.00	39562.00	42000.00	
2	Mohangarh-II	501.67	450000	99802.54	99886.40	43176.00	0.00	39505.81	38418.83	
3	RP-I	95.1	30000	30000.00	15000.00	44018.00	25249.86	26957.45	7117.07	
4	RP-Main	81.29	10000	10000.00	10000.00	3500.00	0.00	3435.97	3513.99	
5	RP-III	4.747	50000	0.00	50000.00	39904.19	0.00	4345.68	0.00	Mine under surrunder
6	Karnisar	48.76	40000	40000.00	40000.00	5000.00	13461.69	14368.33	6769.42	
7	Padampura	120	50000	15000.00	15000.00	0.00	0.00	36.02	25293.98	
8	Thethar	100.81	90000	82792.40	87207.00	77452.33	70655.46	89794.13	41531.41	
9	Kishanpura-A	4.98	50000	50000.00	49548.00	9984.00	0.00	21997.14	14379.09	
10	Kishanpura-B	4.98	50000	0.00	50000.00	25877.91	0.00	0.00	0.00	Mine under surrunder
11	Khal	86.12	50000	54465.17	45908.13	49636.75	49989.95	20378.84	24248.55	
12	Kupli	4.8	50000	55400.00	50000.00	28646.12	21353.88	0.00	0.00	Mine under surrunder

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

13	Dhandra	132.37	100000	53025.99	16547.24	99962.45	53409.53	98094.00	52187.50	
14	Kaoni	250.53	50000	50000.00	50000.00	9000.00	12730.61	13369.07	0.00	
15	Bharu	111.49	40000	40000.00	40000.00	40000.00	20298.19	39999.93	1361.63	
16	Randhisar	200	15000	15000.00	15000.00	7000.00	0.00	0.00	0.00	Mine under surrunder
				1026378.72	634096.77	607857.75	326661.17	411844.37	256821.47	

It may be seen from the above table that production of the company for the year 2017-18 was 3,26,661 MT which is the lowest since inception. Due to this reason only there was an incidence of dead rent of Rs.19.37 lakh. The minewise justification for dead rent is as under:

S.No.	MINE	AREA	2017-18					Reasons
			DEAD RENT UP TO 31.08.2017 @ RS 2000 PER HECT/ ANNUM	DEAD RENT FROM 01.09.2017 @ RS 4000 PER HECT/ ANNUM	TOTAL DEAD RENT	DEAD RENT ADJUSTED AGAINST PRODUCTION/ DISPATCH	NET DEAD RENT PAYABLE	
1	MGM-II	200	166666.67	466666.67	633333.33	0.00	633333.33	Due to poor demand, production could not be done.
2	RP-MAIN	81.29	67741.67	189676.67	257418.33	0.00	257418.33	-do-
3	RP-III	4.757	3964.17	11099.67	15063.83	15063.83	0.00	
4	KISHANPUR A-A	4.98	4150.00	11620.00	15770.00	0.00	15770.00	-do-
5	RANDHISAR	200	166666.67	466666.67	633333.33	0.00	633333.33	-do-
6	PADAMPUR A	120	100000.00	280000.00	380000.00	0.00	380000.00	Due to marshy land production could not be done.
7	KISHANPUR A-B	4.98	4150.00	11620.00	15770.00	0.00	15770.00	-do-
8	KUPLI	4.8	4000.00	11200.00	15200.00	15200.00	0.00	
							1935625	

Further for the year 2018-19 the incidence of dead rent of Rs.13.15 lakh for different mines is justified as under:

S.NO.	MINE	AREA	2018-19			Reasons
			DEAD RENT @ RS 4000 PER HECT/ ANNUM	DEAD RENT ADJUSTED AGAINST PRODUCTION/ DISPATCH	NET DEAD RENT PAYABLE	
1	MGM-II	200	800000.00	800000	0.00	
2	RP-MAIN	81.29	325160.00	325160	0.00	

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

3	RP-III	4.757	19028.00	19028	0.00	
4	PADAMPURA	120	480000.00	4502.5	475497.50	Due to marshy land production could not be done.
5	KISHANPURA-B	4.98	19920.00	0	19920.00	Mine under closure
6	KISHANPURA-A	4.98	19920.00	19920	0.00	
7	RANDHISAR	200	800000.00	0	800000.00	Due to poor demand production could not be done
8	KUPLI	4.8	19200.00	0	19200.00	Mine under closure
					1314617.50	

As production from certain mines could not take place due to poor market conditions and some mines are under closure, therefore, the incidence of Dead Rent is inevitable.

In view of above the para may kindly be dropped.

Para 6: Undue favor to contractor: Rs 7.93 lakh

FCI Aravali Gypsum & Minerals India Limited (FAGMIL) issued (March 2017) Tender Notice No NIT No. FAGMIL/MANPOWER 2017-19) for supply of highly skilled, skilled and unskilled manpower at various locations of FAGMIL. As per clause 11 of the General Directions and Conditions of Contract, the security deposit at the prescribed rate shall be deposited by the successful bidder immediately after issue of contract / Job order but before commencement of work.

Scrutiny of records revealed that ten contractors participated in the bid, out of which M/s Vaishnov Devi Security Solutions, Jodhpur was awarded (June 2017) the work, based on competitive bidding, at a contract value of Rs 3.85 crore . The letter of award also reiterated the fact that the amount of security deposit (Rs 19,97,512) should be deposited immediately within 15 days of receipt of work order and before commencement of work. Out of the Security deposit amount of Rs 19,97,512, Rs 2,04,191 was adjusted against already deposited Earnest money by the contractor. Thus, the contractor was required to deposit an additional amount of Rs 17,93,321 as security deposit.

Audit observed that as against the required amount of Rs 17,93,321, the contractor deposited a bank guarantee of only Rs 10 lakh and requested for deduction of the balance amount of security deposit of Rs 7,93,321 from its monthly bills. The company officials, in contravention of the terms and conditions of NIT and work order, granted the exemption to the contractor from deposit of security deposit before commencement of work and allowed the contractor to deposit the balance amount of Rs 7,93,321 in four installments over a period of five months.

Thus, allowing exemption to contractor from deposit of security deposit of Rs 7.93 lakh before commencement of work was against the terms and conditions of contract. This led to undue favor to the contractor.

Reply- The work order was awarded to M/s Vaishnov Devi Security Solutions, Jodhpur in June 2017 for the period from 01.07.2017 to 30.06.2019 for supply of highly skilled, skilled and

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

unskilled manpower at various locations of FAGMIL. The work order value was Rs.3.85 crore and the required security deposit was Rs.17.93 lakh after adjusting the EMD of Rs.2.05 lakh which was required to be deposited by 30.06.2017.

As the party was existing party who has executed one earlier job for the period from 01.05.2014 to 30.06.2017 successfully. Against the previous contract a security deposit of Rs.5.68 lakh was deposited with the company in the form of BG. Since party requested that the earlier BG has not been released so bank is not issuing the fresh BG of more than Rs.10.00 lakh. Party made a request that they will deposit a BG of Rs.10.00 lakh and a balance of Rs.7.93 lakh may be recovered from the bills. Since the BG of Rs.5.68 lakh was already available with us, we considered the request of contractor and allowed for recovering of the balance amount in 4 installments.

Since the subject job has already been completed successfully and we are not having problem against this contract, therefore the para may kindly be dropped.

Para 7- Low capacity utilization of mines

The main activity of the company is mining and marketing of mineral gypsum. Rajasthan is the major producer of gypsum and over 90% of the country's production of natural gypsum is from Rajasthan. As per the Mines and Mineral Regulation Act, 1957, mining activities is the monopoly of Govt PSUs and the company along with Rajasthan State Mines and Minerals Limited – state PSU are the only PSUs who are given the mining right to extract and market mineral gypsum from the mines of Rajasthan. Govt of India has amended the Mining Act by the Mines and Minerals (Development & Regulation) Amendment Act, 2015 by opening up the mining activity to private parties and the granting of mining lease is through auction route as against reservation to State PSUs only. The mining on private land can be done only with the prior consent of the land owner or by acquiring the land.

The company is continuously making profit since 2003-04 and based on the performance, Government of India conferred the status of 'Miniratna II' category to the company. The performance of the company for the last seven years ending 31.03.2019 is as under:-

(Rs.in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue from operations	73.84	88.59	82.44	63.80	51.33	48.60	51.16
Other income	13.60	15.32	17.33	17.59	17.09	16.03	16.40
Total	87.44	103.91	99.77	81.39	68.42	64.64	67.56
Expenses	48.93	51.80	45.05	37.06	32.17	33.05	37.69
Profit /loss()	38.51	52.11	54.72	44.33	36.25	31.59	29.87

As can be seen from above, the revenue from operations and profit declined continuously by 19 % (2015-16), 18.22% (16-17), 12 % (17-18), 5% (18-19).

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

The reasons for the decline is mainly due to all time low capacity utilisation of mines from 92.8% to 26.67% and consequent low sales turnover during the from financial years 2012-13 to 2017-18 as under:-

Year	Installed capacity (in MT)	Production (in MT)	Capacity utilisation (%)	Sales (in MT)	Sales turnover (Rs.in crore)	Average sales realisation per MT (Rs.)
2012-13	10,25,000	9,51,554	92.83	8,42,201	73.84	901.65
2013-14	10,25,000	8,02,908	78.33	9,29,261	88.59	953.33
2014-15	10,75,000	10,26,379	95.48	8,37,477	82.44	984.38
2015-16	11,60,000	6,34,097	54.66	7,29,721	63.80	874.30
2016-17	1225000	581981	47.51	563926	51.33	910.27
2017-18	1225000	326661	26.67	428748	48.60	1133.55

The mine-wise actual production of gypsum during 2018-19 in the format given below:-

SI No	Name of the mines	Year of sanction	Production per annum in MT sanctioned by Govt. of Rajasthan	Opening Balance in MT	Actual production per annum in MT	Remaining life of the mine (as on 31.03.2019)	Reserves MT	Sales per annum in MT	Closing Stock in MT
1.	Mohangarh	06.11.1967	450000	6864.03	39562.00	4.23	223774	42049.79	4376.24
2.	Mohangarh-1	17.12.2007	100000	8259.09	39505.81	1.60	182568.21	43296.93	4467.97
3.	Karnisar	14.09.1966	40000	2534.00	14368.33	1.82	72830.02	14368.33	2534.00
4.	RP-1	14.09.1966	30000	4382.61	26957.45	10.37	111225.31	31276.56	63.50
5.	RP- Main	14.09.1966	10000	0.00	3435.97	20.94	16935.97	3435.97	0.00
6.	RP-III	22.02.2010	50000	7.77	4345.68	0	0	4344.28	9.17
7.	Thethar	16.05.2007	90000	596.79	89794.13	1.29	325108.92	90390.92	0.00
8.	Padampura	19.12.2008	50000	0.00	36.02	12.10	15036.02	36.02	0.00
9.	Kishanpura-A	24.04.2014	50000	0.00	21997.14	5.72	81529.14	21997.14	0.00
10.	Kishanpura-B	24.04.2014	50000	0.00	0.00	0	0	0.00	0.00
11.	Kaoni	14.09.1966	50000	0.00	13369.07	3.44	85099.68	13369.07	0.00
12.	Bharru	14.09.1966	40000	2788.87	39999.93	5.95	140298.12	42788.80	0.00
13.	Randhisar	11.05.2007	15000	3202.02	0.00	0	0	1537.42	1664.6
14.	Khal	16.05.2007	50000	0.00	20378.84	6.38	575913.24	20378.84	0.00
15.	Kupli	07.07.2010	50000	0.00	0.00	0	0	0.00	0.00
16.	Dhandra	25.08.1967	100000	0.00	98094.00	15.72	268013.22	98094.00	0.00
	Total		1225000	28635.18	411844.37	89.56	2098331.85	427364.07	13115.48

Thus, it can be seen that the actual capacity utilisation during 2018-19 was 66% only and there was no production at RP-III, Kishanpura-B, Randhisar, Kupli mines during 2018-19.

Audit observed that the principal reason for low capacity utilization was the low purity available in the company's mines, due to which the purchasers are reluctant to buy low purity gypsum.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

In this respect, the following points may be clarified to audit:

- 1) Whether any step has been taken by management to create/regenerate demand for gypsum?
- 2) What steps have been taken for improving the purity of gypsum to remain competitive in market? And
- 3) If the above steps could not be taken, whether the company is contemplating to surrender the un profitable mines?

Management, while confirming the facts and figures, may offer their remarks to audit.

Reply - As it has elaborately been mentioned by the audit that capacity utilization of the company has come down from 92.80% to 26.67% from F.Y. 2012-13 to F.Y 2017-18 and further during 2018-19 the capacity utilization was 33.62% only and there was no production at RPIII, Kishanpura B, Randhisar, Kupli mines during 2018-19 as these mines are under surrender process.

The reasons for low capacity utilization are as under:

1. Lesser production due to tough competition with the fresh lease holders and with the imported material.
2. Earlier the company used to supply the material for reclamation of sodic land under World Bank project in Uttar Pradesh which has come to an end during the year 2017-18. The share of this segment was 30%-40% of our total sales turnover.

Para wise reply is as under:

1. i. To remain competitive in the market, the company has reviewed its sale price and offered discount schemes as under:

During 2018-19

- a. A quantitative discount scheme was made applicable w.e.f. 01.04.2018 as under:

Quantity (MT)	Discount (Rs. per MT)
25000-50000	25/- for the whole Qty.
50001-75000	50/- for the whole Qty.
75001-100000	75/- for the whole Qty.
100000-150000	100/- for the whole Qty.
Above 150000	135/- for the whole Qty.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

- b. For lifting the material from Mohangarh mines, which is in disadvantageous position due to its remote location, a special discount scheme of Rs.50/MT was made applicable w.e.f. 01.07.2018.

During 2019-20

- a. A quantitative discount scheme was continued w.e.f. 01.02.2019 as under:

Quantity (MT)	Discount (Rs. per MT)
25000-50000	25/- for the whole Qty.
50001-75000	50/- for the whole Qty.
75001-100000	75/- for the whole Qty.
100000-150000	100/- for the whole Qty.
Above 150000	135/- for the whole Qty.

- b. A flat reduction of Rs.50/MT in the sales price is made w.e.f. 01.10.2019 for all the mines.
- c. For lifting the material from Mohangarh mines, which is in disadvantageous position due to its remote location, special discount is being given as under:
- w.e.f. 01.04.2019 to 30.09.2019 Rs.50/MT
 - w.e.f. 01.10.2019 Rs.150/MT.

Present price circular is enclosed at **Annexure VII**

- To explore the new market of agriculture sector we have identified Maharashtra state where a scheme under World Bank aided project PoCRA (Project on climate resilient agriculture) is going on. We have entered into an agreement with Varhad Grains Agriculture Producer Company Ltd. Agar, Tal. Dist. Akola for a supply of 15,000 MT agriculture grade gypsum and the first consignment was dispatched on 30.10.2019. Discussions with other Agriculture Producer Company in Maharashtra are going on to supply agriculture grade gypsum.
2. Since gypsum is a bulk material where beneficiation of the product is not feasible, however, for supply of agriculture grade gypsum we are extracting the material from different patches and blending it properly before grinding to make it saleable.
3. We have already gone for closure of following 4 mines, where closure notice has already been given as under:
- RPIII on 16.03.2019 (**Annexure VIII**)
 - Kupli on 16.03.2019 (**Annexure IX**)
 - Randhisar on 16.03.2019 (**Annexure X**)
 - Kishanpura B on 27.07.2019 (**Annexure XI**)

The tender for final mine closure plan has already been issued and other activities are being undertaken simultaneously.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Thus, it is clear from the above that all out efforts are being made by the company to survive in the market by reviewing its sales price, searching for the new markets and surrendering the unprofitable mines, therefore, the para may kindly be dropped.

Para 8: Deduction of Rs.2.14 crore towards excess production of gypsum during 2008-09

Attention is invited to Para No.3 of Part II and Para No.8 of Part II of Inspection Report of FAGMIL for the period 2010-12 and 2012-17 respectively wherein it was observed that an amount of Rs.2.14 crore was deducted by Govt of Rajasthan being the cost of mineral extracted during 2008-09 over and above the quantity sanctioned by Govt. of Rajasthan.

The amount was adjusted by Govt. of Rajasthan against an old case of refund of development charges of Rs.5.11 crore payable by Govt. of Rajasthan. The company filed a revision petition on 14.09.2012 with Govt.of India against the orders/decision of the State Govt. During scrutiny of the case (September 2019), audit observed that the revision application was dismissed by the Revisionary Authority vide their final order dated 08.03.2018.

The decision was challenged in Hon'ble High Court of Rajasthan through SB Civil writ petition no. 903/2019 which was filed in January 2019. The court has issued notices to the respondents and the respondent has not filed their reply yet.

On review of the current position and reply provided by the management, the matter is in court Hon'ble High Court of Rajasthan for refund. There are meagre chances to refund as Revisionary Authority dismissed the case stating that excess quantity of minerals were excavated from the permissible limits under the consent to operate agreement and had no reason to interfere in the impugned order. Efforts were made by the management for refund. However, the fact remains that the company has not yet got the refund and the matter is still subjudice.

The facts and figures may be verified and confirmed and remarks offered, if any along with supporting documents.

Reply - The revision application No 25/(71)/2012/RC-I dated 14.09.2012 with the Ministry of Mines, New Delhi was dismissed finally vide order dated 08.03.2018. The Revisional Authority, Ministry of Mines, New Delhi failed to consider the issues raised by FAGMIL regarding the unlawful demand, merely on the basis of Audit objection and not on the basis of facts. Neither Directorate of Mines and Geology, Rajasthan nor the Revisional authority considered the fact that the demand raised was towards the excess production where as the fact was that the production was within the permissible limits and the dispatches were made from the stock lying from the previous year's production.

This fact was verified by the concerned Mining Engineer during issuing the authenticated production figures (**Annexure XII**) but this was neither considered by the Revisional Authority nor by the Directorate of Mines and Geology.

Thus due to ignoring the major fact, the Revisional Authority passed its order against which a writ petition no. 903/2019 has been filed in January 2019 in the Hon'ble High Court of Rajasthan. The court has issued notice to the respondents and the respondents has not filed their reply yet. The next date of hearing is 16.11.2019. It is therefore clear that constant efforts are being made by the company to settle the case. The contention of the Audit that there are meager chances of refund of the charged amount is also not correct. There are good chances to win the case as the major fact was ignored in the decision taken by the Revisional authority.

Therefore the Para may kindly be dropped.

FCI ARAVALI GYPSUM & MINERALS INDIA LIMITED

Para 9: Pending Duty draw back claim - Rs 254.72 lakh

Attention is invited to the Para No. 2 of Part II and Para No. 9 of Part II of Inspection Report of FAGMIL for the period 2010-12 and 2012-17 respectively wherein it was mentioned that an amount of Rs.62.85 lakh was withheld by Director General of Foreign Trade, New Delhi (DGFT) since 2003 being the duty drawback claim to the extent excise duty was paid on HDPE bags for the supplies of agricultural grade gypsum.

During scrutiny of records, it was noticed that an amount of Rs.229.62 lakh from 7 claims relating to old periods is still pending realisation from DGFT and no action was taken by DGFT, New Delhi to settle the issue in spite of issuing 6 reminders. Audit observed that despite the company's follow-up with JDGFT, Jaipur and DGFT, Delhi, the company's **pending Duty draw back claim of Rs. 254.72 Lakh (Rs.229.62 lakh+25.10 lakh) is still unsettled.**

In view of above, the company needs to take adequate steps to recover the pending claim amount of Rs 254.72 lakh. Non- realisation of above led to blockade of the above amount of Rs 254.72 lakh.

The facts and figures may be verified and confirmed and remarks offered, if any along with supporting documents

Reply - FAGMIL was supplying agriculture grade gypsum powder to M/s UPBSN under the project financed by World Bank. Duty Drawback was available on the excise duty paid on procurement of HDPE bags used in supplying gypsum powder. Since 1994-95 to 2001-02 company was getting drawback claims but thereafter the claims are not being released by the JDGFT Jaipur owing to an audit objection raised way back in 2002.

As per the audit objection of DGFT the company is not eligible for refund of Duty Drawback as no imported goods have been used in the manufacture of Gypsum Powder whereas Duty Drawback means the rebate of duty chargeable on any imported materials or excisable goods used in the manufacture or processing of goods which are manufactured in India and exported. Since we used the HDPE bags for packing material (Gypsum), therefore, we are eligible for the duty drawback.

The company is constantly following up the matter with JDGFT, Jaipur and DGFT, Delhi. More than 8 reminders were written on this matter. We had also written a letter on 17.3.2017 to DGFT, New Delhi for clearing the company's DBK claims, (copy enclosed) **Annexure-XIII**. The company has already brought the matter to the notice of higher authorities and a letter from Joint Secretary, Department of fertilizers, Ministry of Chemicals & Fertilizers was also written to DGFT, New Delhi on 09.07.2014 to release the claims (copy enclosed)- **Annexure-XIV**

Recently we have sent a letter on 01.10.2019 to JDGFT, Jaipur and the company officials visited the office of JDGFT, Jaipur to resolve the matter at earliest and get the claims released. **Annexure-XV**

In view of the various communications sent to JDGFT, Jaipur and DGFT, New Delhi, the personal visits of the officers of the company and the matter being escalated to the higher authorities, clearly indicate that constant and earnest efforts are being made by the company to resolve the issue at the earliest. It is further informed that all out efforts will be made to resolve the issue. Hence it is requested that the para may kindly be dropped.

Annexure I

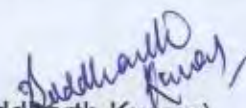
FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED
(Govt. Of India Undertaking)
JODHPUR
INTER OFFICE MEMO

From : Company Secretary
Ref: CS/BM-84/
Date: 17.01.2018

Senior M.(M), Jodhpur

Please find extract of item no 18 of 84th Board Meeting held on Tuesday, 28.11.17 at 3:30 p.m. in conference room of Department of Fertilizers, second floor, Shastri Bhawan, New Delhi for your further necessary action:-

Item No.18	<u>Change in tender conditions-reg.</u>
	<p>The Board was informed that CVC circulars provide the general guidelines and specific requirement for tender stipulations are to be framed by the individual company as per the requirement. While submitting the proposal to the Board last time for approval of financial handbook and tender conditions ROM jobs we had mentioned the existing provisions regarding Machinery, Equipment etc.</p> <p>It was further informed to Board that in the recent tenders we have observed that participation is less due to these existing tender conditions. The technical committee has examined the issue and recommended that the relaxation as under will ensure larger participation in the tenders.</p> <p>Earlier provision:-</p> <p>The Hydraulic Excavator engaged should be of 0.9 cum capacity of equivalent model not older than three years at the time of floating of NIT and should be in the name of Tenderer/ Partner.</p> <p>Revised provision:-</p> <p>The Hydraulic Excavator (not older than 5 years at the time of floating of the NIT) engaged should be in the name of Tenderer/ Partner's name/ Hiring agreement on suitable stamp paper/ or and Affidavit to be submitted along with the bid for arranging suitable excavator after getting the work order.</p> <p>The Board discussed the matter and approved the proposal.</p>


(Siddharth Kumar)
Company Secretary

एफसीआई अरावली जिप्सम एण्ड मिनरल्स इण्डिया लिमिटेड

FCI Aravali Gypsum and Minerals India Ltd.

पंजीकृत कार्यालय :
मांगूसिंह राजवी मार्ग, (पाटा 'बी' रोड)
जोधपुर (राजस्थान)
फोन : 0291-2544392 फैक्स-2544523

भारत सरकार का उपक्रम
(A Govt. of India Undertaking)
Mini Ratna - II Company



FCI Aravali Gypsum
and Minerals India Ltd.

Regd. Office :
Mangu Singh Rajvi Marg (Paota 'B' Road)
JODHPUR (Rajasthan)
Tel : 0291-2544392, Fax :0291-2544523
E-mail : fagmil-rj@nic.in
fagmil1@rediffmail.com
Website : www.fagmil.nic.in

Ref. No FAGMIL – 6(24)/SSP-2(A)/ 692

Date 08th July, 2019

Speed - Post

To,
Deputy Secretary,
Department of Industries (Group-I),
Government of Rajasthan,
Secretariat, Jaipur

Sub: 11.01 Ha. land allocated for SSP project to FAGMIL at Chittorgarh – reg.

Dear Sir,

We would like to bring to your kind notice that land admeasuring 11.01 Ha. was allotted to FCI Aravali Gypsum and Minerals India Limited (FAGMIL) vide letter no. प.4(13)उधोग/1/2013 dated 12-08-2013 from Industries Department (Group - I), Government of Rajasthan. Thereafter vide letter no. प.4(13)उधोग/1/2013 dated 10-04-2017 it was informed by Industries Department (Group - I) that SSP plant has to be installed with 2 years and starting date will be date of handing over of the possession of land which is 25.01.2017. Hence, date of completion of plant activities will be 24.01.2019. Accordingly, we wrote the letter for further extension of another 3 years i.e. upto 24.01.2022, vide ref. no. dated FAGMIL – 6(24)/SSP-2(A)/1533 dated 18.12.2018.

In the meantime, our management has reviewed the project and considering its viability it has been decided that it has not to be persued further. We are in the process of finalizing other projects, suited for the above site, based on the financial viability.

May I request your goodself to kindly advise us for further course of action for using the land for some other purpose or alternatively surrender of the land to Government of Rajasthan and refund of the amount to us.

Thanking you.

Yours faithfully,
For and on behalf of
FCI Aravali Gypsum & Minerals India Ltd.

रुद्रेश सिंह शेखावत
(Surendra Singh Shekhawat)
General Manager

दी. -
12/7/19

कार्यालय जिला कलक्टर, चित्तौड़गढ़

कमांक / राजस्व / 12-3(6)12/930

दिनांक : 20/08/2019

प्रेषिति,


महाप्रबंधक,
एफ.सी.आई. अरावली जिप्सम एण्ड मिनरल्स इण्डिया लि.,
मांगूसिंह राजवी मार्ग, पावटा बी रोड
जोधपुर

विषय : एफ.सी.आई. अरावली जिप्सम इण्डिया लि. (भारत सरकार का उपक्रम) को आवंटित भूमि के संबंध में।

उपर्युक्त विषयान्तर्गत लेख है कि शासन उप सचिव महो., उद्योग (ग्रुप-1) विभाग, जयपुर के द्वारा उनके पत्र दिनांक 30.07.19 से आपके द्वारा उनके कार्यालय में प्रस्तुत पत्र दिनांक 08.07.19 के संबंध में निम्न बिन्दुओं पर दस्तावेज/सूचनाएँ भिजवाने हेतु निर्देशित किया है :

1. उक्त आवंटित भूमि के एवज में आवंटी कम्पनी द्वारा क्या किसी वित्तीय संस्थान से कोई वित्तीय सहायता/ऋण ली गयी है ?
2. यदि कम्पनी उक्त भूमि का वैकल्पिक उपयोग अन्य उद्योग के लिए करना चाहती है तो उसका विवरण

अतः दो बिंदुओं के संबंध में आपका स्पष्ट प्रत्युत्तर इस कार्यालय को भिजवावें।


प्रभारी अधिकारी, राजस्व
(अति. कलक्टर, भू.अ.)
चित्तौड़गढ़

अन्य (४)

1421
03/09/2019

SANJEEV JOHARI
Advocate

Ex. Vice President
Rajasthan High Court Advocates Association

Ref.No.LOP/VI/111

Sanjeev Jhari

Office Cum Residence:

28, Nehru Park, "Vandana"
JODHPUR - 342 003 (Raj.)

Tel: +91-291-2636628, 2434428

E-mail: advo.sanjeevjohari@gmail.com

June 14, 2019

LEGAL OPINION

To,

✓ Aravali Gypsum & Minerals India Ltd,
MS Rajvi Marg,
Paota B Road,
Jodhpur (Raj.) - 342 008

Sub: Legal Opinion regarding SSP Plant in D.st. Chittorgarh, in the matter of possibility of getting the refund of Rs.5,23,45,797/- which was paid by our company (hereinafter referred to as FAGMIL) which was paid on 19/09/2013 on account of price of the land admeasuring 11.01 Hectare.

Dear Sirs,

I received your communication dated 10/05/2019 comprehensively for my Legal Opinions on two different aspects. The present opinion pertains to the aforesaid land admeasuring 11.01 hectare in Dist. Chittorgarh, which we purchased for the purpose of establishing a 'Single Superphosphate Plant' (hereinafter referred to as SSP plant.)

1. The factual matrix on the basis of the copies of the documents provided to me, is as follows:

(a). On 18/02/2013, the Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India, New

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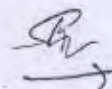
Delhi sent a communication in the name of State Govt. of Rajasthan through it's the then Chief Secretary, asking for the Land for establishment of a plant for manufacturing of SSP, in the name of FAGMIL. In this communication, few other relevant aspects were also touched.

(b). The Dy. Secretary, Govt. of Rajasthan (Department of Revenue) sent a Communication dt.05/03/2013 in the name of Dist. Collector, Chittorgarh; enclosing the said communication dt.18/02/2013, asking him to provide factual report.

(c). Our company (FAGMIL) also sent a Communication dt.02/04/2013, in the name, of Dist. Collector, asking for allotment of the land for the aforementioned purpose.

(d). On 12/08/2013, the State Govt. through the Industries' Department, issued an Order allotting the 11.01 hectare land in the name of FAGMIL under the provisions of Rajasthan Land-Revenue (Allotment of Industrial Land) Rules 1959 [hereinafter referred to as 'Allotment Rules 1959']. Admittedly, the said allotted land is situated in Dist. Chittorgarh, and furthermore the allotment as above is conditional in as much as 17 conditions were prescribed in the aforementioned Order.

The factual & Legal position further remains that the forfeiture of the paid amount on account of price of the land, in case of failure of erecting the plant, and/or in case of surrender of the land, is not there in the 17 inherent conditions as above.

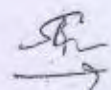


2. That at this juncture, texts of the Rr. 3-A, 5 and 7 of Allotment Rules 1959, are reproduced as hereunder:-

"Rule 3-A. Price of land. - For the allotment of Government agricultural land in industrial area the price of the land shall also be charged from the allottee which shall be equivalent to the prevailing market price of the same class of agricultural land in the vicinity and shall be determined accordingly, by the Colonisation Commissioner in the Rajasthan Canal Project Colony Area, and by the Collector concerned in other areas;

Provided that no price of land shall be charged in cases where the State Government in the Industries or Tourism Department acquires land for an Industrial unit or for the Rajasthan State Industrial Development and Investment Corporation or for Rajasthan Tourism Development Corporation and Compensation for the acquisition is paid by the said unit or by the said Corporation and the land is used by the said unit or by the said Corporation only for the purpose for which the land is acquired."

"Rule 5. Rate of rent to be charged. - Rent shall be charged at the rate of 250/- per acre year in a town with a population of 2 lakhs and above Rs.150/- per acre per year in a town with a population above 10,000 but less than three lakhs and Rs.75/- per acre year in a town with a population below 10,000."

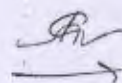


"Rule 7. Setting up of Industries. - Industries shall be set up within a period of two years on the land allotted for the purpose, failing which the land shall be revert to the Government unless the period of two years is extended by the allotting authorities for valid reasons."

3. That subsequently we received communication dated 11/09/2013 from District Collector asking our Company to deposit Rs.5,23,45,797/- in totality for executing the Lease Deed and Registration thereof.

Immediately thereafter we deposited the said amount by Challan no.346 dated 19/09/2013 with the State Government Treasury, and immediately thereafter sent Communication in this regard to the District Collector vide our letter dated 18/09/2013 (*it should be 19/09/2013 instead, because the Challan's date is 19/09/2013, and therefore subsequent forwarding letter cannot be of prior date. Kindly check at your end*).

4. That on 12/02/2014, the District Collector sent a Registered "Patta-Vilekh" dated 10/01/2014 for the said same land. The "Lease Agreement" dated 15/04/2016 was also executed after signatures of the competent authorities of both the sides, in presence of 2 witnesses.



In this Deed, all main conditions of Allotment Rules were duly mentioned, with few more incidental procedural aspects. This Deed also does not consist any forfeiture of the amount paid by us on account of Price of the Land.

Subsequently we took the possession vide "Mauka Parcha - Kabja Supurdt" in presence of our Dy.GM (T) of FAGMIL, and Patwari & Tehsildar (both on behalf of State Government).

5. That we received a Communication dated 10/04/2017 from Industries Department of State Govt., responding to our 2 earlier Communications dated 11/04/2016 & 29/08/2016, mentioning therein that at this stage there is no question of giving extension of 3 years (for erecting Plant), because the Possession was given to FAGMIL on 25/01/2017, and the extension period becomes countable w.e.f. 25/01/2017 only, and therefore 2 years period comes to an end on 24/01/2019.

Admittedly we have not installed/erected the Plant so far, and instead we want to have one of the options to surrender this land, for the reason that installation of said Plant may not be possible. Therefore only we want to get a fresh Lease Deed issued so as to include the said one of such



conditions for surrendering the land in lieu of taking the already paid Price of the Land.

6. That I am keeping the present legal opinion confined as to whether we will be getting the amount back if revert back (surrender) the land to the State Govt.
7. In my considered opinion, we should get the price of the Land if we surrender the entire land to the State Government. The Allotment Rules 1959, Allotment Order dated 12/08/2013, and Lease Deed dated 15/04/2016 do not contain/consist any such Conditions expressly and/or impliedly.

The doctrine of "unjust enrichment" has to be considered in the present matter. The Definition thereof in "*Black's Law Dictionary*" is reproduced as hereunder:-

"Unjust enrichment doctrine. General principle that one person should not be permitted unjustly to enrich himself at expense of another, but should be required to make restitution of or for property or benefits received, retained or appropriated, where it is just and equitable that such restitution be made, and where such action involves no violation or frustration of law or opposition to public policy, either directly or indirectly. *Tulalip Shores, Inc. v. Mortland*, 9 Wash.App. 271, 511 P.2d 1402, 1404. Unjust enrichment of a person occurs when he has and

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retains money or benefits which in justice and equity belong to another. L & A Drywall, Inc. v. Whitmore Const. Co., Inc., Utah, 608 P.2d 626, 630.

Three elements must be established in order to sustain a claim based on unjust enrichment. A benefit conferred upon the defendant by the plaintiff; an appreciation or knowledge by the defendant of the benefit; and the acceptance or retention by the defendant of the benefit under such circumstances as to make it inequitable for the defendant to retain without the payment of its value. Everhart v. Miles 47 Md. App. 131, 136, 422 A.2d. 28."

This Doctrine underwent the consideration, and interpretation before the Hon'ble Supreme Court and other High Courts including our Hon'ble Rajasthan High Court, good number of times, and was appreciated on the basis of facts, circumstances and other relevant legal aspects.

Thus it is clear from this definition and from other various judicial pronouncements etc., that without any legal authority/sanction, in the present case the amount of Price of the Land cannot be retained/forfeited by the State Government, in case it gets back the said land from our Company.

On the basis of the said position, the State Government has no Legal Sanction and/or Permissibility to

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SANJEEV JOHARI
Advocate

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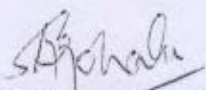
Ex. Vice President
Rajasthan High Court Advocates Association

Office Cum Residence:
28, Nehru Park, "Vandana"
JODHPUR - 342 003 (Raj.)
Tel: +91-291-2636628, 2434428
E-mail: advo.sanjeevjohari@gmail.com

retain the "Price of the Land", if our FAGMIL surrenders the
land.

8. That this Legal Opinion is expressed without prejudice. The Opinion can be sought by the company even on the ongoing basis in the present matter, if the need/opportunity so arises.

My Bill for legal remuneration of Rs.10,000/- (Rs. Ten Thousand Only) is enclosed herewith, which may please be remitted at the earliest in favour of 'Sanjeev Johari'.


(Sanjeev Johari)
Advocate.

Signature

CIU/D/1105/FCI/REGD/01/1822

एफसीआई अरावली जिप्सम एण्ड मिनेरल्स इण्डिया लिमिटेड FCI Aravali Gypsum and Minerals India Ltd.

भारत सरकार का उपक्रम
(A Govt. of India Undertaking)
Mini Ratna - II Company

पंजीकृत कार्यालय
मंगुसिंह राजीव मार्ग, (पावटा भी रोड)
जोधपुर (राजस्थान)
फोन: 0291-2544392 फैक्स 0291-2544393



Regd. Office
Mangu Singh Raji Marg / Paota 'B' Road
- JODHPUR (Rajasthan)
Tel : 0291-2544392, Fax : 0291-2544393
E-mail : fagnu@nic.in, fagnu@rediffmail.com
Website : www.fagnu.nic.in

Ref. No. FAGMIL-6(24)/SSP-7(A)/11/18

Date: 06-10-2018

To
Shri Rajneesh Jain
Group Incharge PDF
Rajasthan State Pollution Control Board
4, Institutional Area, Jhalana Doongri,
Jaipur - 302004,
Rajasthan

Sub: Validity extension of "Consent to Establish" for the project of single super phosphate of FCI Aravali gypsum and minerals India Limited at Chittorgarh
Ref. No. - F(Plan)/Chittorgarh(Chittorgarh)/3(1)/2016-2017/8329-8331 dated 16/11/2016

Dear Sir,

This is with reference to "Consent to Establish" accorded for our SSP project at Chittorgarh Rajasthan vide above captioned reference. We hereby inform you that construction of boundary wall work is progress at site since 23.03.2018 and the finalization of LS / K contract is in process.

Since we are unable to finalize suitable contractor for plant construction inspite of several attempts of tender, we hereby request you to kindly extend the validity of our consent to establish for another three years i.e. upto 31/03/2022

Submitted for your kind consideration and further necessary action at the earliest

Thanking you.

(Handwritten signature)
8/10/18

Yours faithfully
For and on behalf of
FCI Aravali Gypsum & Minerals India Ltd
(Signature)
(Surendra Singh Shekhawat)
General Manager

CC to:
Regional office, Chittorgarh
Rajasthan State Pollution Control Board,
Near FCI Godwan,
Chanderiya, Chittorgarh - 312021

हम हिन्दी में पत्र व्यवहार का स्वागत करते हैं।

**FIRST SCHEDULE
FORM I**

(See Regulations. 3,6,7,8)
Notice of opening, closing or change etc.

To

1. The Director General of Mines & Safety, Dhanbad
2. Dy. Director General of Mines Safety, Ghaziabad.
3. The Director of Mines Safety, Ajmer.
4. Distt. Magistrate, Govt. of Rajasthan, Sri Ganganagar

Sir,

I have to furnish the following particulars in respect of (i) Ragunathpura-III Gypsum Mine (4.747 Ha.) at Ragunathpura (Name) Gypsum (mineral) mine of FCI Aravali Gypsum and Minerals India Limited (formerly known as FCI Ltd.) (owner) : ML No 06/2002

1. *In case of CHANGE OF NAME OR MINE :
old name of mineX..... date of changeX.....

- 2 (a) Situation of the mine : Village Ragunathpura Police Station Jaitsar, Tehsil-Suratgarh, Sri Ganganagar District Rajasthan State
* (b) In case of A NEW MINE, particulars of situation of mine:
Post Office X Telegraph Office
Railway Station X Rest House
(Give distance therefrom) X
Means of travelling X

	Present	Previous*
--	---------	-----------

 3. (a) Name and Postal address of (ii)
 - (e) Owner FCI Aravali Gypsum and Minerals India Limited,
Mangu Singh Rajvi Marg, Paota, Jodhpur (Raj.)
 - (f) Managing agent, if anydo.....
 - (g) Agents, if any Sh. Surendra Singh Shekhawat, General Manager
 - (h) Manager Kaushal Kishor, VPO Ragunathpura, Tehsil Suratgarh, Sri Ganganagar (Raj)
 * (b) In case of change, date of changeX.....

 - *4. (a) Name and qualifications etc. of Manager
whose appointment is terminated): Kaushal Kishor, Mines Forman Certificate of Competency
(b) Date of termination of appointment: 13.03.2019

 - *5 Date on which it is intended to discontinue the mine: 13-03-2019

 - *6 Actual date of discontinuance of the mine : 13.03.2019

Yours faithfully,

2323 Sh. Surendra Singh Shekhawat
(Surendra Singh Shekhawat)
General Manager
Agent

O/c Sh. Kaushal Kishor

Date 13-03-2019

CC. to :-

1. Director, Mines and Geology Department , Udaipur
2. Mining Engineer, Department of Mines and Geology, Sri Ganganagar
3. Area Manager, Suratgarh

एफसीआई अरावली जिप्सम एण्ड मिनरल्स इण्डिया लिमिटेड

FCI Aravali Gypsum and Minerals India Ltd.

पंजीकृत कार्यालय
मंगुसिंह राजवी मार्ग, (पाटा 'B' रोड)
जोधपुर (राजस्थान)
फोन 0291-2544392 फैक्स-2544523

भारत सरकार का उपक्रम
In case of India Government
Mini Ratna - II Company



FCI Aravali Gypsum
and Minerals India Ltd.

Regd. Office
Mangu Singh Rajvi Marg (Paota 'B' Road)
JODHPUR (Rajasthan)
Tel : 0291-2544392, Fax : 0291-2544523
E-mail : fagmi-rj@nic.in
fagmi1@rediffmail.com
Website : www.fagmi.nic.in

Ref No. फेगमिल-12(44)/बिक्री दर/1177

Date 30.09.2019

सेवामें,

संलग्न सूची के अनुसार

विषय-दिनांक: 01.10.2019 से जिप्सम की बिक्री दरों में परिवर्तन की सूचना।

महोदय,

आप द्वारा समय-समय पर दिये गये सुझावों को ध्यान में रखते हुए जिप्सम बिक्री मूल्य के संबंध में हमारी कम्पनी द्वारा निम्नांकित निर्णय लिये गये हैं-

01. जिप्सम के आधार मूल्य में सभी माईन्स से दिनांक: 01.10.2019 से सीधे ₹ 50/- प्रति मैटन की कमी की गयी है। परिवर्तित दरों एवं शर्तों की सूची आपके सूचनार्थ एवं आवश्यक कार्यवाही हेतु संलग्न कर रहे हैं।

02. वर्तमान में जारी Quantity discount scheme निम्नानुसार है-

Quantity (in MT)	Discount (Rs. per MT)
25000-50000	25/- for the whole Qty.
50001-75000	50/- for the whole Qty.
75001-100000	75/- for the whole Qty.
100000-150000	100/- for the whole Qty.
Above 150000	135/- for the whole Qty.

उपरोक्त Quantity discount scheme के अलावा मोहनगढ़ खान समूह से ₹ 100/- प्रति मैटन की अतिरिक्त छूट दी जा रही थी। इस छूट को दिनांक: 01.10.2019 से बढ़ाकर ₹ 150/- प्रति मैटन कर दिया गया है। (Quantity discount scheme की नियम व शर्तें संलग्न हैं)

हम आशा करते हैं कि जिप्सम बिक्री मूल्य में उपरोक्त कमी के महानजर आप द्वारा हमारी कम्पनी से जिप्सम का अधिकाधिक क्रय करेंगे।

धन्धवाद।

संलग्न-02 नं०

सुरेन्द्रसिंह शेखावत
(सुरेन्द्रसिंह शेखावत)
महाप्रबन्धक

प्रतिलिपि-

- (1) उप महाप्रबन्धक (त०)/स० महाप्रबन्धक (खनन)/प्रबन्धक (वित्त)/प्रबन्धक कार्मिक/टैका अनुभाग, जोधपुर
- (2) क्षेत्र प्रबन्धक, हमीरा/बीकानेर/सूरतगढ़/रामसिंहपुर/कवास।

हम हिन्दी में पत्र व्यवहार का स्वागत करते हैं।

FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED, JODHPUR
(A Govt. of India Undertaking)
MINIRATNA- II COMPANY

Sub - Quantity Discount Scheme.

1. Quantity Discount scheme is as under :-

Quantity (in MT)	Discount (Rs. per MT)
25000-50000	25/- for the whole Qty.
50001-75000	50/- for the whole Qty.
75001-100000	75/- for the whole Qty.
100000-150000	100/- for the whole Qty.
Above150000	135/- for the whole Qty.

2. In addition with the existing discount scheme there is an extra rebate of ₹ 100 PMT on the quantity lifted from our Mohangarh mines from 01-04-2019 to 30-09-2019. We are increasing this extra rebate to ₹ 150 PMT w.e.f. 01-10-2019.

Qualifying criteria for Quantity Discount shall be as under:-

1. The quantity rebate will be applicable for the whole quantity lifted by a party, on the highest slab rate in which a particular party falls.
2. The quantity linked rebate is for one year with effect from 01-04-2019.
3. The buyer having two or more units either in same name or as a subsidiary will be eligible to claim the discount as a group company for all the units on consolidated basis. Combined quantity of Group Company will get the rebate irrespective of procuring ROM from our various mines.
4. The quantity discount will be allowed by credit note to the buyer and no other benefit of Royalty & related levies thereon etc. would be passed on the quantity discount.
5. Quantity for the rebate purpose will be determined as per weight recorded in invoices by FAGMIL.

FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED, JODHPUR
(A Govt. of India Undertaking)
MINIRATNA- II COMPANY

Sub - Rates of ROM Gypsum/Agriculture Grade Gypsum Powder w.e.f. 01.10.2019

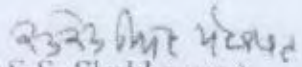
Product/Source	District	Basic Price	Royalty	DMF Cess	Incidental Charges	Net Payable Amount
(A) ROM GYPSUM						
(I) EX-RLY LOADING POINT THAIYAT	Jaisalmer	465	160	16	140	781
(II) EX-PIT HEAD MOHANGARH/New Mines	Jaisalmer	465	160	16	0	641
(III) EX- PIT HEAD KAVAS/UTTARLAI/ New Mines	Barmer	465	160	16	0	641
(IV) EX- PIT HEAD R.P.MAIN/R.P./RPHI KARNISAR/THETHAR/ PADAMPURA/ KISHANPURA A/B /DHANDRA/KHAL/ KUPALI/ New Mines	Sri Ganganagar	465	160	16	0	641
(V) EX- PIT HEAD KAONI/BHARU /RANDHIRSAR/ New Mines	Bikaner	465	160	16	0	641
(B) GYPSUM POWDER (LOOSE)						
Product/Source	District	Basic Price	Royalty	DMF Cess	Incidental Charges	Net Payable Amount
EX-GRINDING UNIT						
(I) MOHANGARH/New Mines	Jaisalmer	465	160	16	260	901
(II) KAVAS/UTTARLAI/ New Mines	Barmer	465	160	16	260	901
(III) R.P.MAIN/R.P./RPHI KARNISAR/THETHAR/PADAMPURA/ KISHANPURA A/B/DHANDRA/KHAL/ KUPALI/ New Mines	Sri Ganganagar	465	160	16	260	901
(IV) KAONI/BHARU /RANDHIRSAR/ New Mines	Bikaner	465	160	16	260	901
(V) EX-GRINDING UNIT SURATGARH	Sri Ganganagar	465	160	16	400	1041
(C) GYPSUM POWDER (PACKED IN NEW HDPE BAGS)						
Product/Source	District	Basic Price	Royalty	DMF Cess	Incidental Charges	Net Payable Amount
EX-GRINDING UNIT						
(I) MOHANGARH/New Mines	Jaisalmer	465	160	16	560	1201
(II) KAVAS/UTTARLAI/ New Mines	Barmer	465	160	16	560	1201
(III) R.P.MAIN/R.P./RPHI KARNISAR/THETHAR/ PADAMPURA/ KISHANPURA A/B /DHANDRA/KHAL/ KUPALI/ New Mines	Sri Ganganagar	465	160	16	560	1201
(IV) KAONI/BHARU /RANDHIRSAR/ New Mines	Bikaner	465	160	16	560	1201
(V) EX-GRINDING UNIT SURATGARH	Sri Ganganagar	465	160	16	700	1341

22/23/197/4507
(S.S. Shekhawat)
General Manager

**FCI ARAVALI GYPSUM AND MINERALS INDIA LIMITED
JODHPUR**

SUB :- TERMS & CONDITIONS FOR SUPPLY OF ROM / GYPSUM POWDER

- 01- Royalty of Gypsum is amended to ₹ 160/- PMT by Government of Rajasthan vide its notification No. F.14(13)Mines/Gr. II/2018 dated 22.08.2019 Accordingly, buyers shall pay royalty @ ₹ 160/- PMT with effect from 22.08.2019. Any revision in Royalty, MR cess or any statutory levy and GST there on even with retrospective effect shall have to be born by the buyers as and when such demand is raised.
- 02- The prices may be revised at any time without any notice. The prices ruling on the date of despatch shall be applicable.
- 03- GST shall be charged as applicable from time to time on net payable amount.
- 04- FCI Aravali Gypsum & Minerals India Ltd., will not be responsible for quality (purity) and quantity after consignment leaves the dispatching station. However, party may pre-inspect the material and may draw joint samples from Rail head/Mines head/Grinding Unit before the loading of wagons/trucks.
- 05- Dispatches from railway siding will be done as per the requirement and request of the customer on Ex- Railway siding basis on their behalf. Customers are required to co-ordinate/ supervise the loading to the wagons, as they may desire. All liabilities whatsoever after loading into wagons shall be to the account of customers.
- 06- In case the material is supplied on F.O.R destination (Rail head basis), the other charges on account of handling, supervision, transit-insurance, transit loss etc. will be charged extra from the customers.
- 07- This Price Circular supersedes all earlier Price Circulars issued by us.
- 08- All other Standard Terms & conditions of FAGMIL shall be applicable.


(S.S. Shekhawat)
General Manager

FAFORM-3(17) (2012)

Unnesure VII
Date - 16/03/2019

FIRST SCHEDULE

FORM I

(See Regulations 3,6,7,8)

Notice of opening, closing or change etc.

To

1. The Director General of Mines & Safety, Dhanbad
2. Dy. Director General of Mines Safety, Ghaziabad
3. The Director of Mines Safety, Ajmer.
4. Distt. Magistrate, Govt. of Rajasthan, Sri Ganganagar

Sir,

I have to furnish the following particulars in respect of (i) Ragunathpura-III Gypsum Mine (4.747 Ha.) at Ragunathpura (Name) Gypsum (mineral) mine of FCI Aravali Gypsum and Minerals India Limited (formerly known as FCI Ltd.) (owner) : ML No 06/2002

1. *In case of CHANGE OF NAME OR MINE :
old name of mineX..... date of changeX.....
2. (a) Situation of the mine : Village Ragunathpura Police Station Jaitar, Tehsil-
Suratgarh, Sri Ganganagar District Rajasthan State
* (b) In case of A NEW MINE, particulars of situation of mine:
Post Office X Telegraph Office
Railway Station X Rest House
(Give distance therefrom) X
Means of travelling X
3. (a) Name and Postal address of (ii)
(e) Owner FCI Aravali Gypsum and Minerals India Limited,
Mangu Singh Rajvi Marg, Paota, Jodhpur (Raj.)
(f) Managing agent, if anydo.....
(g) Agents, if any Sh. Surendra Singh Shekhawat, General Manager
(h) Manager Kaushal Kishor, VPO Ragunathpura, Tehsil Suratgarh, Sri
Ganganagar (Raj)
* (b) In case of change, date of changeX.....

	Present	Previous*
(a) Name and Postal address of (ii)		
(e) Owner		
(f) Managing agent, if any		
(g) Agents, if any		
(h) Manager		
- *4. (a) Name and qualifications etc. of Manager
whose appointment is terminated): Kaushal Kishor, Mines Forman Certificate of
Competency
(b) Date of termination of appointment: 13.03.2019
- *5 Date on which it is intended to discontinue the mine: 13-03-2019
- *6 Actual date of discontinuance of the mine : 13.03.2019

Yours faithfully,

23/03 Sh. Surendra Singh Shekhawat
(Surendra Singh Shekhawat)
General Manager
Agent

Date 13-03-2019

CC. to :-

1. Director, Mines and Geology Department, Udaipur
2. Mining Engineer, Department of Mines and Geology, Sri Ganganagar
3. Area Manager, Suratgarh

o/c Sh. Kaushal Kishor

FIRST SCHEDULE

FORM I

(See Regulations, 3,6,7,8)
Notice of opening, closing or change etc.

To

1. The Director General of Mines & Safety, Dhanbad
2. Dy. Director General of Mines Safety, Ghaziabad
3. The Director of Mines Safety, Ajmer.
4. Distt. Magistrate, Govt. of Rajasthan, Sri Ganganagar

Sir,

I have to furnish the following particulars in respect of (i) Kupli Gypsum Mine (4.8 Ha.) at Kupli (Name) Gypsum (mineral) mine of FCI Aravali Gypsum and Minerals India Limited (formerly known as FCI Ltd.) (owner) : ML No. 01/2007

1. *In case of CHANGE OF NAME OR MINE :
old name of mineX..... date of changeX.....
2. (a) Situation of the mine : Village Kupli Police Station Vijaynagar , Sri Ganganagar District Rajasthan State
* (b) In case of A NEW MINE, particulars of situation of mine:
Post Office X Telegraph Office
Railway Station X Rest House
(Give distance therefrom) X
Means of travelling X
- | | Present | Previous* |
|---|---|-----------|
| 3. (a) Name and Postal address of (ii) | | |
| (i) Owner | <u>FCI Aravali Gypsum and Minerals India Limited,</u>
<u>Mangu Singh Rajvi Marg, Paota, Jodhpur (Raj.)</u> | |
| (j) Managing agent, if any | <u>do</u> | |
| (k) Agents, if any | <u>Sh. Surendra Singh Shekhawat, General Manager</u> | |
| (l) Manager | <u>Arvind Kumar Jha, VPO Kupli, Tehsil Vijaynagar, Sri Ganganagar (Raj)</u> | |
| * (b) In case of change, date of change | <u>X</u> | |
- *4. (a) Name and qualifications etc. of Manager
whose appointment is terminated): Arvind Kumar Jha, Mines Forman Certificate of Competency
- (b) Date of termination of appointment: 13.03.2019
- *5 Date on which it is intended to discontinue the mine: 13-03-2019
- *6 Actual date of discontinuance of the mine : 13.03.2019

Yours faithfully,

23/03/19 Sh. Surendra Singh Shekhawat
(Surendra Singh Shekhawat)
General Manager
Agent

Date 13-03-2019

CC. to :-

1. Director, Mines and Geology Department , Udaipur
2. Mining Engineer, Department of Mines and Geology, Sri Ganganagar
3. Area Manager, Ramsinghpur

o/c Sh. Surendra Singh Shekhawat

FAGMIL-3 (JA) 2014

Date- 16/03/2019

FIRST SCHEDULE

FORM I

(See Regulations, 3,6,7,8)

Notice of opening, closing or change etc.

To

- 1- The Director General of Mines & Safety, Dhanbad
- 2- Dy. Director General of Mines Safety, Ghaziabad
- 3- The Director of Mines Safety, Ajmer.
- 4- Distt. Magistrate, Govt. of Rajasthan, Bikaner

Sir,

I have to furnish the following particulars in respect of (i) Randhisar Gypsum Mine (200 Ha.) at Ragunathpura (Name) Gypsum (mineral) mine of FCI Aravali Gypsum and Minerals India Limited (formerly known as FCI Ltd.) (owner) : ML No 06/2002

1. *In case of CHANGE OF NAME OR MINE :
old name of mineX..... date of changeX.....
2. (a) Situation of the mine : Village Randhisar Police Station Gajner, Tehsil- Kolayat, Bikaner District Rajasthan State
* (b) In case of A NEW MINE, particulars of situation of mine:
Post Office X Telegraph Office
Railway Station X Rest House
(Give distance therefrom) X
Means of travelling X
3. (a) Name and Postal address of (ii)
(a) Owner FCI Aravali Gypsum and Minerals India Limited,
Mangu Singh Rajvi Marg, Paota, Jodhpur (Raj.)
(b) Managing agent, if anydo.....
(c) Agents, if any Sh. Surendra Singh Shekhawat, General Manager
(d) Manager Kamlendra Nath Chouhan, VPO Randhisar, Tehsil Kolayat,
Bikaner (Raj)
* (b) In case of change, date of changeX.....

	Present	Previous*
(a) Name and Postal address of (ii)		
(a) Owner	<u>FCI Aravali Gypsum and Minerals India Limited</u> , <u>Mangu Singh Rajvi Marg, Paota, Jodhpur (Raj.)</u>	
(b) Managing agent, if anydo.....	
(c) Agents, if any	<u>Sh. Surendra Singh Shekhawat, General Manager</u>	
(d) Manager	<u>Kamlendra Nath Chouhan, VPO Randhisar, Tehsil Kolayat</u> , <u>Bikaner (Raj)</u>	

* (b) In case of change, date of changeX.....
- *4. (a) Name and qualifications etc. of Manager
whose appointment is terminated): Kamlendra Nath Chouhan, Mines Forman
Certificate of Competency
(b) Date of termination of appointment: 13.03.2019
- *5 Date on which it is intended to discontinue the mine: 13-03-2019
- *6 Actual date of discontinuance of the mine : 13.03.2019

Yours faithfully,

23/3 Mr Shekhawat
(Surendra Singh Shekhawat)
General Manager
Agent

O/c Asst. Manager

Date 13-03-2019

CC. to -

- 01- Director, Mines and Geology Department , Udaipur
- 02- Mining Engineer, Department of Mines and Geology, Bikaner
- 03- Area Manager, Bikaner

Annexure 8

FIRST SCHEDULE
FORM I

(See Regulations, 3,6,7,8)

FAMIL-3 (44) / 868

Notice of opening, closing or change etc.

27-07-19

To

- 1. The Director General of Mines & Safety, Dhanbad
- 2. Dy. Director General of Mines Safety, Ghaziabad
- 3. The Director of Mines Safety, Ajmer.
- 4. Distt. Magistrate, Govt. of Rajasthan, Sri Ganganagar

Sir,

I have to furnish the following particulars in respect of (i) Kishanpura-B Gypsum Mine (4.980 Ha.) at Kishanpura (Name) Gypsum (mineral) mine of FCI Aravali Gypsum and Minerals India Limited (formerly known as FCI Ltd.) (owner) : ML No 10/2006

1. *In case of CHANGE OF NAME OR MINE :
old name of mineX..... date of changeX.....

2 (a) Situation of the mine : Village Kishanpura Police Station Suratgarh, Tehsil-Suratgarh, Sri Ganganagar District Rajasthan State

* (b) In case of A NEW MINE, particulars of situation of mine:
Post Office X Telegraph Office
Railway Station X Rest House
(Give distance therefrom) X
Means of travelling X

	Present	Previous*
3. (a) Name and Postal address of (ii)		
(a) Owner <u>FCI Aravali Gypsum and Minerals India Limited, Mangu Singh Rajvi Marg, Paota, Jodhpur (Raj.)</u>		
(b) Managing agent, if anydo.....		
(c) Agents, if any <u>Sh. Surendra Singh Shekhawat, General Manager</u>		
(d) Manager <u>Ankush Saxena, VPO Kishanpura, Tehsil Suratgarh, Sri Ganganagar (Raj)</u>		
* (b) In case of change, date of changeX.....		

*4. (a) Name and qualifications etc. of Manager whose appointment is terminated): Ankush Saxena, Second Class Mines Managers Certificate of Competency

(b) Date of termination of appointment: 23.07.2019

*5 Date on which it is intended to discontinue the mine: 23-07-2019

*6 Actual date of discontinuance of the mine : 23.07.2019

Yours faithfully,

Surendra Singh Shekhawat
(Surendra Singh Shekhawat)
General Manager
Agent

O/C

Date 23-07-2019

CC. to :-

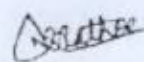
- 1. Director, Mines and Geology Department , Udaipur
- 2. Mining Engineer, Department of Mines and Geology, Sri Ganganagar
- 3. Area Manager, Suratgarh

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.
(A Government of India Undertaking)


PRODUCTION DETAILS OF R.P.1 95.1 Hect. AND R.P.MAIN 81.29 Hect.
During the period w.e.f. July, 2007 to June, 2008

Quantity In M.T.

Month	Raghunathpura 1st	Raghunathpura Main
	Production	Production
July-07	0	0
August-07	0	0
September-07	0	0
October-07	0	0
November-07	0	0
December-07	0	0
January-08	0	0
February-08	0	0
March-08	1000	4000
April-08	7000	1000
May-08	3000	2000
June-08	19000	3000
Total	30000	10000


 क्षेत्र प्रबन्धक
AREA MANAGER
 FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.
 RAJASTHAN
 गंगानगर

FCI Ltd. के मासिक रिपोर्ट के आधार पर उत्पादन की मात्रा सत्यापित की जाती है।


 श्री एम. एम. अंसारी
 खान एव भूविज्ञान विभाग
 श्री गंगानगर

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.
(A Government of India Undertaking)

PRODUCTION DETAILS OF R.P.1 95.1 Hect. AND R.P.MAIN 81.29 Hect.
During the period w.e.f. July, 2008 to June, 2009

Quantity In M.T.

Month	Raghunathpura 1st	Raghunathpura Main
	Production	Production
July-08	7700	3000
August-08	0	0
September-08	5000	7000
October-08	5900	0
November-08	0	0
December-08	0	0
January-09	0	0
February-09	0	0
March-09	0	0
April-09	0	0
May-09	0	0
Total	18600	10000

(Signature)
क्षेत्र प्रबन्धक

AREA MANAGER

एन सी सी अरावली जिप्सम एंड मिनेरल्स इंडिया लि०
FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.
प्लॉट नं० १०१
सुराटगार्डन-३८६०१४

FCI Ltd से प्राप्त मासिक रिपोर्ट के आधार पर उत्पादन की मात्रा पर्यवेक्षण की जाती है।

(Signature)

सहायक क्षेत्र अभियन्ता
आज एवं भूविज्ञान विभाग
श्री गंगानगर

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.

(A Government of India undertaking)

PRODUCTION DETAILS OF THETHAR 100.81 Hect.
During the period w.e.f. 21.05.2007 to 31.01.2009

Month	Thethar Q. MT
May-07	0.00
Jun-07	1500.00 ✓
Jul-07	1200.00 ✓
Aug-07	0.00 ✓
Sep-07	0.00 ✓
Oct-07	2500.00 ✓
Nov-07	0.00 ✓
Dec-07	3249.89 ✓
Jan-08	12554.80 ✓
Feb-08	8733.80 ✓
Mar-08	1669.21 ✓
Apr-08	0.00 ✓
May-08	3592.30 ✓
Jun-08	0.00 ✓
Jul-08	300.00 ✓
Aug-08	3976.20 ✓
Sep-08	17087.40 ✓
Oct-08	6516.30 ✓
Nov-08	2564.10 ✓
Dec-08	159.50 ✓
Jan-09	3792.20 ✓
TOTAL	69395.70

श्री. डी. एच. ए. आर. अरावली मिनरल्स
अरवली मिनरल्स इण्डिया प्राइवेट लिमिटेड
प्रस्तुत मासिक रिपोर्ट के आधार पर माह 5/07
से 1/09 तक हेक्टर मासिक को उत्पादन
69395.70 MT उत्पादन किया जाता है।

र. वि. विभाग
अ. विभाग
अ. विभाग


क्षेत्र प्रबन्धक
AREA MANAGER
एफ सी आई अरावली गिपसम एण्ड मिनेरल्स इण्डिया लि०
FCI ARAVALI GYPSUM & MINERALS INDIA LTD.
सुरतगढ़ - 388004
SURATGARH-335804

W/10/2012

FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.

(A Government of India undertaking)

PRODUCTION DETAILS OF THETHAR 100.81 Hect. ML NO 10/01
 During the period w.e.f. 01.05.2009 to 29.02.2012

kins capacity 3500 mt daily

MONTH	THETHAR Q. MT
May-09	6509
Jun-09	4600
Jul-09	9000
Aug-09	8367
Sep-09	1600
Oct-09	0
Nov-09	4924
Dec-09	0
Jan-10	0
Feb-10	0
Mar-10	0
Apr-10	0
May-10	6000
Jun-10	4000
Jul-10	4350
Aug-10	3200
Sep-10	8000
Oct-10	7260
Nov-10	1410
Dec-10	0
Jan-11	1600
Feb-11	1180
Mar-11	0
Apr-11	0
May-11	0
Jun-11	0
Jul-11	0
Aug-11	0
Sep-11	0
Oct-11	0
Nov-11	0
Dec-11	0
Jan-12	2921
Feb-12	7865.89
TOTAL	80786.89

R. K. S. ...
 सहायक खनि, अखिल
 खान एवं भूविज्ञान वि
 श्रीगंगानगर

10/11/12

30/02/12

AREA MANAGER
 FCI ARAVALI GYPSUM AND MINERALS INDIA LTD.
 SURATGARH 382004

एफसीआई अरावली जिप्सम एण्ड मिनरल्स इण्डिया लिमिटेड FCI Aravali Gypsum and Minerals India Ltd.

भारत सरकार का उपक्रम
(A Govt. of India Undertaking)
Mini Ratna - II Company



Regd. Office :
Mangu Singh Rajvi Marg, (Paota "B" Road)
JODHPUR (Rajasthan)
Tel : 0291-2544392, Fax : 0291-2544523
E-mail : fagmil@nic.in, fagmil@rediffmail.com
Website : www.fagmil.nic.in

पंजीकृत कार्यालय :
मंगुसिंह राजवी मार्ग, (पावटा 'बी' रोड)
जोधपुर (राजस्थान)
फोन: ०२९१-२५४४३९२ फैक्स ०२९१-२५४४५२३

Date 17.03.2017

Ref. No. FAGMIL/DBK/Fixation of BR Claim/2774

To,
The Director General of Foreign Trade,
Ministry of Commerce & Industry,
Udyog Bhawan,
New Delhi -11

Kind attn: Ms. Sudha, Dy.DGFT

Sub: Request to release of deemed export Drawback Claims of FAGMIL - reg.

- Ref:-(1) Our claim No. FAGMIL-5(500)04-05/2165 dated 25.11.2005 for Rs.14,32,766/-
- (2) Our claim No. FAGMIL-DE/DBK/2006-07/Fixation of BR & Claim/3547 dated 26.03.2007.Rs. 22,71,633/-
- (3) Our claim No. FAGMIL-DE/DBK/2010-11/Fixation of BR & Claim/1498 dated 05.09.2011.for Rs.25,80,335/-
- (4) Our claim No. FAGMIL-DE/DBK/2011-12/Fixation of BR & Claim/2040 dated 18.10.2012 for Rs.35,55,218/-
- (5) Our claim No. FAGMIL-DE/DBK/2012-13/Fixation of BR & Claim/1782 dated 31.07.2013 for Rs.40,45,324/-
- (6) Our claim No. FAGMIL-DE/DBK/2013-14/Fixation of BR & Claim/1423 dated 25.07.2014 for Rs.56,38,329/-
- (7) Our claim No. FAGMIL-DE/DBK/2014-15/Fixation of BR & Claim/1141 dated 27.07.2015 for Rs.34,39,134/-
- (8) Our claim No. FAGMIL-DE/DBK/2015-16/Fixation of BR & Claim/1310 dated 08.08.2016 for Rs.29,03,989/-
- (9) Letter File No.13/23/115/38/AM.17 dated 06.02.2017 from JDGFT, Jaipur seeking clarification regarding admissibility to refund of DBK.

Dear Sir,

This is with reference to the above referred claims pending with your JDGFT Jaipur, for a long time amounting to Rs.2,58,66,728/-

FCI Aravali Gypsum and Minerals India Ltd (FAGMIL) is a central PSU, under the administrative control of Department of Fertilizers, Ministry of Chemicals and

हम हिन्दी में पत्र व्यवहार का स्वागत करते हैं।

Fertilizers, Govt. of India. This company was carved out of the Fertilizer Corporation of India Ltd. w.e.f. 1-4-2003 through demerger Scheme as approved by BIFR.

This company is dealing with the mining and marketing of Mineral Gypsum that is Cement Grade & Agriculture Grade. For Agriculture grade it processes the mineral into powder form which is used in the reclamation of sodic lands and also helps in increasing the agricultural production.

In the process of manufacturing Agriculture grade GYPSUM, HDPE bags are consumed as inputs that attract excise duty. The Agriculture grade Gypsum powder is supplied to M/s Utter Pradesh Bhumi Sudhar Nigam against International Competitive Bidding (ICB) under the World Bank funded projects. These projects are financed by International Development Association (IDA) which is recognized by the ministry of commerce as agency for concessions. These supplies are considered as deemed exports and eligible for duty draw back under chapter 8 of Exim Policy of India. The tenders of ICB are evaluated on the basis of relaxing duty suffered on inputs to provide the domestic bidder a level playing field.

The FERTILIZER CORPORATION OF INDIA Supplied Agriculture grade gypsum powder to UPBSN under World Bank scheme and claimed excise duty suffered on the inputs (HDPE Bags) from 1994-95 to 2001-02. Thereafter FAGMIL, the new company formed out of FCIL is also continuing the supplies to the above projects and claiming deemed export draw back. But the claims are not being released by the JDGFT Jaipur owing to an audit objection raised way back in 2002.

As per the audit objection of DGFT the company is not eligible for refund of Duty Drawback as no imported goods have been used in the manufacture of Gypsum Powder whereas Duty Drawback means the rebate of duty chargeable on any imported materials or excisable goods used in the manufacture or processing of goods which are manufactured in India and exported.

Since the company has paid excise duty on HDPE bags used in the supply of Gypsum Powder under the project financed by World Bank which comes under the category of "Deemed Exports", therefore, the company is eligible for duty drawback.

Despite constant follow ups at various levels the matter has not been resolved so far. Our CAG audit also has raised a para stating that the huge accumulated claims amounting Rs.229.62 lakhs are pending with JDGFT have to be get cleared by taking action at appropriate level (Copy enclosed)

O/c *udhashek*

Recently JDGFT Jaipur has referred the matter to your goodself vide letter no. File No.13/23/115/38/AM.17 dated 06.02.2017 (copy enclosed) for seeking your advice regarding admissibility to refund DBK.

You are, therefore, requested to kindly look into this matter and get the claims released at the earliest.

Thanking you,

Yours faithfully

२३२३ म३ म३
(S.S.Shekhawat)
General Manager
o/c abhishek

Encl :a/a



SHAM LAL GOYAL, IAS
 Joint Secretary
 Tel. No. 23388481 (Off)
 23385714 (Fax)
 9999641533 (Mob)

Annexure - IV
 भारत सरकार
 GOVERNMENT OF INDIA
 रसायन और उर्वरक मंत्रालय
 MINISTRY OF CHEMICALS & FERTILIZERS
 उर्वरक विभाग
 DEPARTMENT OF FERTILIZERS
 नई दिल्ली-११०००१
 NEW DELHI-110001

D.O. No. 18018/2/2014-FCA

Dated: 9th July 2014

Dear *Sh. Kuma Sahib*,

FCI Aravali Gypsum and Minerals India Ltd (FAGMIL), is a central PSU, under the administrative control of Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India, based in Jodhpur, Rajasthan. FAGMIL was carved out of the Fertilizer Corporation of India Ltd. (FCIL) in 2003.

2. FAGMIL deals with the mining and marketing of Mineral Gypsum, i.e., Cement Grade and Agriculture Grade. For Agriculture Grade, it processes the mineral into powder form, which is used in the reclamation of sodic lands and also helps in increasing the agriculture production.
3. In the process of manufacturing Agriculture Grade Gypsum, High Density Polyethylene (HDPE) bags are consumed as inputs that attracts excise duty. The Agriculture Grade Gypsum Powder is supplied to M/s Uttar Pradesh Bhumi Sudhar Nlgam against International Competitive Bidding (ICB) under the World Bank funded projects. These projects are of International Development Association (IDA) which is recognized by the Ministry of Commerce as agency for concessions. These supplies are considered as deemed exports and duties on inputs are eligible for duty draw back under chapter 8 of Exim Policy of India. The tenders of ICB are evaluated on the basis of relaxing duty suffered on inputs to provide the domestic bidder a level playing field.
4. The Fertilizer Corporation of India supplied Agriculture Grade Gypsum powder to UPBSN under World Bank Scheme and claimed excise duty suffered on the inputs (HDPE Bags) till 2002. Since then, the new company is also continuing the supply to the above projects and claiming deemed export draw back. But, the claims are not being released by the JDGFT, Jaipur owing to an audit objection raised way back in 2002.

Despite constant follow ups at various levels, the matter has not been resolved so far. The CAG audit has also raised a para on FAGMIL stating that the huge accumulated claims amounting to Rs. 98 lakhs are pending with JDGFT, which have to be got cleared by taking action at appropriate level. The claims are as follows:

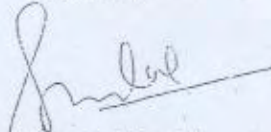
Claim No.	Date	Claim Amount (in Lakh Rs.)
FAGMIL-5(500)04-05/2165	25.11.2005	14.33
FAGMIL-DE/DBK/06-07/3547	26.03.2007	22.72
FAGMIL-DE/DBK/2010-11/1498	05.09.2011	25.80
FAGMIL-DE/DBK/2011-12/2040	18.10.2012	35.55
Total		98.40

.../-

I shall be grateful if you kindly look into the matter personally and facilitate release of above pending claims to FAGMIL towards deemed export drawback.

With warm regards,

Sincerely yours,


(Sham Lal Goyal)

o/c

Sh. Pravir Kumar,
Director General Foreign Trade (DGFT),
Department of Commerce,
Udyog Bhawan, New Delhi - 110011.

Annexure XV

CIN-U14105RJ2003G01 018093

एफसीआई अरावली जिप्सम एण्ड मिनरल्स इण्डिया लिमिटेड
FCI Aravali Gypsum and Minerals India Ltd.

पंजीकृत कार्यालय :
मंगुसिंह राजवी मार्ग, (पावटा 'बी' रोड)
जोधपुर (राजस्थान)
फोन : 0291-2544392 फैक्स-2544523

भारत सरकार का उपक्रम
(A Govt. of India Undertaking)
Mini Ratna - II Company

Regd. Office :
Mangu Singh Rajvi Marg (Paota 'B' Road)
JODHPUR (Rajasthan)
Tel : 0291-2544392, Fax :0291-2544523
E-mail : fagmil-rj@nic.in
fagmil1@rediffmail.com
Website : www.fagmil.nic.in



Ref. No.

FAGMIL/DBK/Correspondence/

FCI Aravali Gypsum
and Minerals India Ltd.

Date :
01.10.2019

The Joint Director General Foreign Trade
Udhyog Bhawan Tilak Marg,
Jaipur,
Rajasthan

Sub: - Request to release of Deemed Export Drawback Claims Pending with you- reg.

Our Earlier Ref:-

1. FAGMIL/DBK/2006-07/Fixation of BR Claim dated 11.07.2014
2. FAGMIL/DBK/2006-07 to 2014-15/Fixation of BR Claim/1166 dated 28.07.2015
3. FAGMIL/DE/DBK/2016-17/510 dated 23/05/2016
4. FAGMIL /DBK/2015-16/1311 dated 20/08/2016

Your ref: - Letter File No. 13/23/115/38/AM.17 dated 06.02.2017

Dear Sir,

Kindly refer our above mentioned letters regarding our mentioned pending claims in the attached Annexure and further discussions in person held with your good self and concerned officials of your office. We would like to inform that the pending 9 claims amounting to Rs. 283.77 lakhs have not been cleared, in spite of the letters written by our administrative ministry, Ministry of Chemicals and Fertilizers, Govt. of India. We wish to recall the outcome of the discussion with you, wherein you have assured the undersigned that the matter will be settled at the earliest, but nothing has been done so far.

You are aware that ours is a 100% Central Government Company and the claims are genuine which are pending since long. Recently, CAG audit was conducted and an objection is raised regarding pending DBK claims and directed the company to take adequate steps to recover the pending claims. Also, they have commented adversely on this issue in the previous years also.

You are therefore requested to kindly settle these claims at the earliest which are impacting the ways and means of the company adversely.

Thanking you,

Yours Faithfully,
S.S. Shekhawat
(S.S. Shekhawat)
General Manager

Encl:- A/s

OK

हम हिन्दी में पत्र व्यवहार का स्वागत करते हैं।

Annexure

Statement of Pending Claims

S. No	Particulars	Amount (Rs.)
1	FAGMIL-5(500)04-05/2165 dated 25.11.2005	1432766
2	FAGMIL-DE/DBK/2006-07/Fixation of BR & Claim/3547 dated 26.03.2007	2271633
3	FAGMIL-DE/DBK/2010-11/Fixation of BR & Claim/1498 dated 05.09.2011	2580335
4	FAGMIL-DE/DBK/2011-12/Fixation of BR & Claim/2040 dated 18.10.2012	3555218
5	FAGMIL-DE/DBK/2012-13/Fixation of BR & Claim/1782 dated 31.07.2013	4045324
6	FAGMIL-DE/DBK/2013-14/Fixation of BR & Claim/1423 dated 25.07.2014	5638329
7	FAGMIL-DE/DBK/2014-15/Fixation of BR & Claim/1141 dated 27.07.2015	3439134
8	FAGMIL-DE/DBK/2015-16/Fixation of BR & Claim/1310 dated 08.08.2016	2903989
9	FAGMIL/DE/DBK/2016-17/Fixation BR & Claim/1817 dated 13.01.2018	2510497
Total		28377225