

## **Chairman Speech**

It gives me immense pleasure to welcome most cordially officials from Government of India at this 13<sup>th</sup> Annual General Meeting of the company. I would also like to convey my gratitude to all of you for sparing your valuable time to be with us on his extremely important occasion for the company.

I am proud of addressing this august gathering and sharing my views on the highlights of your Company's performance and various initiatives, the Company has taken during the year. While doing this, I am particularly encouraged by the support and trust we have all along received from you towards our endeavours.

Sir, your Company has completed 13<sup>th</sup> years of operation successfully and in the recent years, we witnessed significant increase of performance of the company but during the year under review, we drifted to take the lead because of few reasons. Now my primary aim is to reignite and rebuild the high performance growth of the company.

I would like to place on record my gratitude to official of the Department of Fertilizers with whom supports it could have been possible. I am committed to provide stable and well-directed leadership for the Company.

Now I take this opportunity to share my views on robust financial performance and future outlook of the company.

## **Financial and Physical Performance:**

During the year under review, the company produced 634097 MT of gypsum as against 1026379 MT of gypsum of the last year. Out of that the company sold 729721 MT of gypsum as against 837477 MT of last year. The sales turnover and profit has been Rs. 63.80 crore and Rs.51.83 crores as against Rs. 82.44 crore and Rs. 54.82 crore respectively of last year. Due to lower offtake by UPBSN, UP Agro, competition from imported gypsum from Pakistan & Oman and lower despatches from Mohangarh Mines, the sales turnover have come down as compared to previous year.

The Company is regularly interacting with our customers and employees encouraging them to share their suggestions and views that can promote the betterment of the Company. The company is also trying to expand its business in Bihar which if materialized, will increase the sales turnover.

Further keeping the view of DPE guidelines and consistence track record of payment of dividend, we would like to inform you that Board of Directors of your company has recommended a dividend of Rs. 10.26 crore @140.0% on paid up capital of the company. With the payment of this dividend, the Company would be paying Rs. 52.06 crores (i.e. 710% of paid up capital of the Company) to the Government of India within a short span of 13 years.

## **Diversification and expansion:-**

Being a PSU under the administrative control of DOF, your company has focussed on two prongs strategies i.e. mining of minerals and production of SSP. For achieving the objectives and goal, the company had applied for mining lease of few gypsum mines, out of those Letter of Intent (LOI) of 7 mines have been sanctioned. Under MMRD Amendment Act 2015, Grant of Mineral concession is supposed to be allowed through auction route or through reservation for PSUs which obstruct the company to obtain fresh leases.

Further Central Government notified 31 minerals as minor minerals including gypsum which allows the others to enter into the business of mineral gypsum thus the company is facing competition from other small players. Government of Rajasthan is also planning to give Mining Lease to farmers which will make the road for the company tougher.

The company's proposal for reservation of SMS grade Lime stone, Dolomite and Rock Phosphate were submitted to State Government through Ministry of Mines New Delhi but because of above mentioned amendment in MMDR Act, the State Government requires fresh proposals which has already been submitted for consideration to State Government.

The Company has also signed a MoU under Resurgent Rajasthan Partnership Summit, 2015 with the Government of Rajasthan on 16th of October, 2015 for investing an amount of Rs. 250 crore in the mining sector. State Government of Rajasthan also agrees to reserve few blocks of SMS grade Limestone in Jaisalmer, Rock Phosphate in Banswara and Jaisalmer, Dolomite in Jodhpur and Gypsum at various places. This will enable the company to expand its business under its diversification program.

### **Single Super Phosphate**

For establishing the SSP plant, the company has acquired 11.01 Ha of land in Pandauli village near Kapasan Highway at Chittorgarh and got the approval for use of water from nearby Gosunda Dam. The company has also obtained the environment clearance from Pollution Control Board and awarded the task of Project Management Consultant to M/s PDIL. NITs for conducting Topographical Survey, Geo-Technical Survey and Drilling & Boring of Tubewell at the project site were floated and Application to obtain Consent to Establish from Rajasthan State Pollution Control Board has been filed.

### **White Cement Grade Lime Stone**

The company also intends to mine the white cement grade lime stone in Himachal Pradesh and establish the white cement plant there in JV mode. For this the company applied for mining lease of white cement grade lime stone, which is pending with Himachal Pradesh Government. Joint demarcation of applied area is under process.

### **Corporate Social Responsibility and Sustainable Development**

As a socially conscious corporate citizen, your company is in forefront in various CSR initiatives. Like every year this year also your company appropriated some part of its profit towards Corporate Social Responsibility Fund which would be spent for the welfare of the society nearby its mines. During this year, your company spent Rs. 97.96 lakh on various types of social welfare activities like promoting education, providing drinking water facilities, Electricity Facilities, Rural Development Projects and construction of toilets.

The company also understands the need of sustainable development which is a great phenomenon that must be pursued in a complex system of interrelated elements of business, society, and ecology. For this it is important to gain an understanding of these elements and the behaviour of the system. Therefore the company installed at its head office, its mines office and village nearby our mines site solar system to reduce the carbon foot print which enabled company to save more than 5500 units of electricity every year.

### **Corporate Governance**

Corporate Governance is a system of structures, rights, duties, and obligations by which corporations are directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders). It is a mechanism for monitoring the actions, policies and decisions of corporations. Therefore in compliance with the DPE guidelines on Corporate Governance Guidelines-2010, the company requested to Government for induction of Non Official Part Time Directors. Therefore, the Government has appointed Shri C.V.R. Murty, Director IIT, Jodhpur, as Non Official Part Time Director (Independent Director) in the company. We hope with his rich experience, our company would be benefited.

Finally, I would like to place on record the valuable guidance and support of the DOF, Ministry of Mines, State Government of Rajasthan and last but not the least to FAGMIL family who have contributed through enthusiastic efforts in the transformation of this company.

Thanking you.

Sd/-  
(Dr. S. K. Das)  
Chairman and Managing Director