

**MINUTES OF THE 35<sup>TH</sup> ANNUAL GENERAL MEETING OF THE FEDERATION OF INDIAN GRANITE AND STONE INDUSTRY HELD ON 17<sup>TH</sup> NOVEMBER 2018 AT HOTEL CHANCERY PAVILION, BENGALURU**

Sri. Ishwinder Singh, President took the chair.

Sri. K.B. Munivenkata Swamy, Chief Executive Officer, confirmed the Quorum.

53 members were present as detailed below:

<b>Sl. No.</b>	<b>Membership No</b>	<b>Name of the Member</b>	<b>Name of Representative</b>
1.	LM-0007	M/s. Prasad Granites	Sri. S. Krishna Prasad
2.	LM-0014	M/s. Indian Overseas Traders	Sri. N.K. Aswathrama
3.	LM-0015	M/s. Karnataka Rural Industries	Sri. R. Sekar
4.	LM-0021	M/s. Hind Nippon Rural Ind. Pvt. Ltd.	Sri. Amitabh Poddar
5.	LM-0059	M/s. GTP Granites Ltd.	Sri. Siva Subramanian
6.	LM-0109	M/s. I.S. Constructions (P) Ltd.	Sri. Ishwinder Singh
7.	LM-0111	M/s. Kuntal Granites (P) Ltd.	Sri. Ashish Bhuta
8.	LM-0134	M/s. Bhasin International	Ms. Raj Bhasin
9.	LM-0231	M/s. Friends Engineering Works	Sri. Trilok Singh
10.	LM-0249	M/s. P.R.P. Granites	Sri. P. Senthil Kumar
11.	LM-0260	M/s. Metro Granites and Marbles Pvt. Ltd.	Sri. Manoj Kumar Singh
12.	LM-0267	M/s. Saka Stones	Sri. Venkatesh Saka
13.	LM-0294	M/s. Rachana Stones	Sri. Mahaveer Singh Rathore
14.	LM-0307	M/s. Shree Rishabh Marmo Pvt. Ltd.	Sri. Kalit Bhandari
15.	LM-0326	M/s. V.S. Eximast	Sri. V. Sudarshan Rao
16.	LM-0327	M/s. Pearl Granexpo Pvt. Ltd.	Sri. Pramod Bhandari
17.	LM-0388	M/s. Jennex Granite Industries Pvt. Ltd.	Sri. Sunil Kumar Bhandari
18.	LM-0390	M/s. Mahi Granites Pvt. Ltd.	Sri. G. Krishna Rao
19.	LM-0417	M/s. Poddar Industrial Consultants	Sri. Manish Poddar
20.	LM-0447	M/s. K – Mark	Sri. K. Keshava Murthy
21.	LM-0469	M/s. Marudhar Stone International Pvt. Ltd.	Sri. Jitendra Kothari
22.	LM-0473	M/s. Lavina Granites	Sri. Lalit Mohan Rathi

23.	LM-0479	M/s. Quality Marble Exports (India)	Sri. Zaki Chakkiwala
24.	LM-0572	M/s. Quartzstone (India) Pvt. Ltd.	Sri. Anuj Modi
25.	LM-0602	M/s. Pratibha Marbles	Sri. Kewal Chhajer
26.	LM-0611	M/s. Marble City	Sri. Brij Kishore Biyani
27.	LM-0620	M/s. Sri. Aiswariya Rock Export	Sri. Shankaranarayanan
28.	LM-0670	M/s. Kothari Rocks India Pvt. Ltd.	Sri. Abhay Kothari
29.	LM-0723	M/s. Sohaan Enterprises	Sri. Ramesh Nagaraju
30.	LM-0724	M/s. Adeshwar Granties Pvt. Ltd.	Sri. Sanjay Bakliwal
31.	LM-0750	M/s. JMT Granites and Exports	Sri. H.V. Khandelia
32.	LM-0755	M/s. Yes Stones	Sri. Yeshwant Ranka
33.	LM-0770	M/s. Sona Rocks	Sri. Mukesh Kumar Verma
34.	LM-0800	M/s. Sapphire Stones	Sri. Ranjan Khandelwal
35.	LM-0807	M/s. Prestige Stone (India) Pvt. Ltd.	Sri. Devender Kumar Soni
36.	LM-0819	M/s. Radhakrishna Granite	Sri. Pankaj Verma
37.	LM-0822	M/s. Pat International Pvt. Ltd.	Sri. Nandlal Somani
38.	LM-0827	M/s. Omkar Stone Impex	Sri. Laxmi Kant Jain
39.	LM-0851	M/s. Jeet Granite	Sri. Sajnit Singh Ahluwalia
40.	LM-0860	M/s. Sati Stone Studio Pvt. Ltd.	Sri. Sandeep Jalan
41.	LM-0868	M/s. Shakti Stone And Marbles	Dr. H.S. Yadav
42.	LM-0916	M/s. P.R. Stones	Sri. B. Purushotham
43.	LM-0926	M/s. GMRR Granites	Sri. Rajesh Angara
44.	LM-1021	M/s. P.R.P. Exports	Sri. P. Palanichamy
45.	LM-1039	M/s. YRK Granites	Sri. Yusuf Kamal Khan
46.	LM-1040	M/s. YRK Enterprises	Sri. Yusuf Kamil Khan
47.	LM-1110	M/s. Lavina Stones	Sri. Lalit Mohan Rathi
48.	LM-1124	M/s. Federation of A.P. Granite Industry	Dr. C.H. Rao
49.	LM-1139	M/s. Gajanand Granites	Sri. Prem Kumar Singhal
50.	LM-1140	M/s. Rathna Mineral Enterprises	Sri. Manjunatha

## 1. Welcome Address by Sri. Ishwinder Singh, President,

Dear Friend/ Members

I take this as my privilege to welcome you all to the 35<sup>th</sup> Annual General Meeting of our Federation.

This AGM was supposed to be held before end of September 2018 which was postponed to this date due to non conduct of Election to the new committee which was scheduled on 3<sup>rd</sup> August 2018.

We are open for suggestions, Our Federation is a small organization with only around 1150 members majority from quarry operators and Processing Industry. If any issues/confusions are there it can be deliberated between us and sorted out. If any issues/suggestions are there you can address either to me or General Secretary, where in it will be taken on priority basis. We are bound to take up issues pertaining to all the sectors of the Industry like quarrying, processing, tools and abrasives etc. Quarrying and processing act as a supplement to each other. If one sector is affected, the other also gets affected. Few Processing Industry members wants that all the quarrying people should supply material to them only and not export the blocks. We also agree that export by value addition is good. But the Processing Industry will not make use of all the Granite Blocks produced in the country. They opt only for the material which has a ready market, by quality, size etc. Then what the quarry owner has to do with the other size and other variety of Granite. These issues have to be deliberated between the quarry owners and the Factory owners so that a amicable solution is reached. I am sure that we will be in position to reach some positive decision on this.

In this connection, to start with we are intending to have a seminar where DMG of Karnataka along with Secretary, Mines, Government of Karnataka will be invited. We are also planning to invite the Officials from Mines Ministry, Government of India and all the DMGs of various state governments will be invited. We will be inviting all the members from quarrying and processing industry to attend the meeting, so that the policies of various state government's are deliberated vis-à-vis Karnataka and put up the problems faced by the processing Industry due to the shortage of raw material.

During my tenure as President, the Federation would like to have interactive meeting/seminars with the officials with all the Mineral bearing states across the country to address the problems faced by Quarry owner/factory owner of that particular states.

We are in the process of involving CAPEXIL and FIMI so that the government will feel the gravity of the situation. Unfortunately, DMG Karnataka is preoccupied till mid December due to the assembly election assignment he is having. Definitely by end December we will organize a meeting with him and invite you to highlight the problems faced by the Industry due to non issue of quarry leases by giving some excuses.

Further we are also planning to have many more seminars on various applications of Natural Stones which will help the growth of domestic consumption of Granite. We will also write letters to Government of India and also to all state Government's to make use of the Indian Material in the Government Buildings under the **Make in India** programme which will increase the sale of Granite and other natural stones in the domestic market.

Friends, I thank all of you for electing the new team and making me the President for the term 2018-2020. It is not only an honor to be the President of this great Federation but also I have been vested with many responsibilities to be discharged during the balance period of 23 months.

Many of the members have expressed the opinion that the Federation is not doing any other work than STONA fairs. I would like to inform you that we are taking the issues pertaining to the Industry, with the respective forums to get remedial measures. To mention few, we would like to inform you that the issue of GST was taken by the Federation along with other organizations connected with the Stone industry because of which the GST was reduced from 28% to 18%. Further, we are also requesting the Govt. to reduce GST from 18% to 12%. Because of the efforts of the Federation the Granite Development Council was reconstituted for further term and the amendments to the Granite Conservation and Development rules (GCDR 1999) was taken up. The sub-committee headed by Joint Secretary, Mines visited all the states and had interactive meetings with the Industry representatives and also visited granite quarries and factories. The revised GCDR is expected to be gazetted shortly.

We have constituted various sub-committees to examine and recommend their suggestions for the betterment of the Industry. Eminent EC members in the field are heading these committees and they have already constituted their full team. We have requested all the sub-committees to conduct the meeting and submit their report to EC for further action in a time bound manner.

Friends, as you are all aware, one of the main objectives of the Federation is commencing of the R & D activity which we were unable to do even after 35 years. Our Founder Members, when they started this organization have made it clear that the Organization has to commence the R & D activity. As a first step the Federation purchased 32 acres of land at Chennapally Village, Shoolagiri Taluk with an intention to make it as a very big project. But due to some or the other reasons, we were unable to start any activity due to non availability of approach road from National High way. One of the EC members has given this subject to be taken up for discussion in any other subject. I will furnish the full details at the time of deliberations.

Due to the inordinate delay, in commencing the activity in our property at Hosur, I personally feel that we can not wait further, and we have to find alternate land in and around the Granite belt in Karnataka preferably near Bommasandra, Hosur main Road Jigani and Attibele which is near to Hosur also and the Building Sub Committee and R & D committee is working on this so that before the term of the present committee is over, the work on R & D will commence. I request support and co-operation from all of you.

Friends another main issue is regarding the Bye-law of the Federation, which is having few ambiguities which was noticed during the election. In view of this we have constituted the Bye-law sub-committee which will examine various clauses which requires more clarity. Members can forward their suggestion to the sub-committee which will be examined.

We are also seeking appointment with the Secretaries of Commerce Ministry, Mines Ministry, MOEF Ministry, MSME Ministry and Finance Ministry to discuss various issues which are pending from quite long time which includes EOU and

SEZ issues, Import of Granite Blocks, GCDR 1999 amendments , EC clearance issue etc. We will constantly follow up these issues and we will be keeping you informed from time to time by email or by publishing in the Indian stone Magazine.

Further I would like to inform you that FIGSI is publishing the Indian stone Magazine on quarterly basis and the periodicity is not maintained. We would like to convert this to Bi-monthly issue and strictly maintain the periodicity. As informed earlier we are dedicating two pages for the members to publish important personal information like marriages, sale and purchase of factory, machinery, quarry etc. You are also requested to provide us with the latest government notifications or other information which you feel is good to circulate to other members so that the same may be published in the magazine. You can also provide us with articles pertaining to the stone industry, latest new material found, big overseas projects executed by you etc which can be printed in the Indian Stone.

Friends lastly I request all the members to maintain dignity of the house, you can raise the question on the agenda points one by one, express your comments / views, don't discuss between yourself, address to the chair. Do not raise the same points taken up by the other members and be precise to the subject.

Few members have submitted the subjects to be taken up in the Agenda under any other subject. I will announce these subject once the main agenda is over. I will sum up and give the reply to the questions raised by members.

With this I once again welcome all of you to the 35<sup>th</sup> AGM.

**2. Passing of Minutes of 34th Annual General Meeting held on 9<sup>th</sup> September 2017 at Bengaluru.**

Sri. Krishna Prasad, General secretary informed that the minutes of the 34<sup>th</sup> AGM was circulated to all the members. The copy of the minutes is also printed in the AGM booklet provided to all the members.

Since no questions were raised by any member present, the minutes of the 34<sup>th</sup> AGM was passed unanimously after being proposed by Sri. Laxmi Kanth Jain and seconded by Sri. Yeshwanth Ranka.

**3. To receive and adopt the Annual Report of the Federation for the year 2017-2018.**

Sri. S. Krishna Prasad, General Secretary read out the annual report of the Federation for the period 1-4-2017 to 31-3-2018.

He read out the salient points and happenings during the period which includes the STONA 2018. General Secretary mentioned about the visit of various Ambassadors and High Commissioners from African countries and a trade potential meet was also organised with the Indian Industry. He also informed

about the various meetings, FIGSI had with Government of India and various positive developments which includes the reduction of GST from 28% to 18%.

The annual report was unanimously passed by the General body after being proposed by Dr. H.S. Yadav and seconded by Dr. C.H. Rao.

**4. To receive and adopt the Audited Statement of Accounts for the year 2017-2018 (1st April 2017 to 31st March 2018).**

Sri. Sunil Kumar Bhandari, Treasurer presented the Audit report and statement of accounts for the period 1-4-2017 to 31-3-2018.

While this subject was deliberated, Chairman informed that that Sri. Brij Kishore Biyani has raised 4 points pertaining to the accounts of the financial year 2017-18 out of which two points are as follows:

**a) Expenditure incurred on Xiamen-2018**

• Stall booking Charges	Rs. 577938.00
• Stall Construction Charges	Rs. 181515.00
• Travelling Expenses	Rs. 535058.00 (including stay, fooding and local expenses for FIGSI delegation
<b>Total Expenses</b>	<b>Rs. 1294511.00</b>

**Since the STONA 2018 has already completed in February 2018, it could have been avoided.**

Chairman informed that the presence of the Federation was required in all the major fairs. The participation in Xiamen is for the promotion of STONA 2020, which was already announced. Earlier in many of the occasions, EC members have advised that FIGSI has to participate in Xiamen, Verona and Coverings without break to show our presence and show before the world that STONA is there. If you have a break then a wrong signal will be sent to the Industry across the world. We should have shown it as an advance payment on account of STONA 2020, since this pertains to the promotion of STONA 2020 fair. Because of the non conduct of election on time we were unable to book the stall in Xiamen for 2019 and no stalls were available for us. Even for the Verona fair also we asked for the cancelation of the stall and refund the money or adjust the same to the 2019, fair, but they did not agree and we were forced to depute one officer from FIGSI to attend the fair.

**b) Hospitality Expenses on Guest /VIP / Members /Dignitaries amounting to Rs.26.33 lakhs.**

The expenses were lunch hosted to the VIPS / guests / dignitaries / diplomats / office bearers / invitees/ participants in the Geology / Architect Seminars / Wonasa seminar/ members / speakers/ staff etc at Protocol lounge at the rate of Rs.750/ + tax on all the four days. This is in practice

from the first Stona itself and we are continuing with the system which is a good gesture and should be continued.

On this issue, Mr. Sandeep Jalan and Mr. Lalit Rathi mentioned that members were not aware that they are eligible for having lunch at BIEC grounds since no communication was received by them. In view of this they suggested that proper communication has to be sent to the members on such issues.

Chairman informed that this has been taken note of and in the next fair it will be properly addressed so that members are kept informed on this.

**c) Expenses on R & D Activities amounting to Rs 27.21 lakhs during 2017-18, although it is necessary but what benefits the members could get from those R & D activities.**

These expenditures are of regular nature, which includes salary of three employees, security of FIGSI building water and electricity, housekeeping, taxes of all the property etc, since the office building and other properties are purchased under R & D fund.

The details are available in page number 34 under (schedule 19 for income and expenditure statement).

Mr. Sandeep Jalan and Mr. Biyani mentioned that it appears that this is not really R & D and it has to be reclassified properly/ (this was deliberated in detail at the time of discussion on Budget for R & D) in agenda no. 5.

Thereafter the balance sheet, income and expenditure statement and all other related accounts of Federation was approved unanimously after proposed by Sri. K. Keshava Murthy and seconded by Sri. Anuj Modi.

**5. To approve the Annual Budget for the year 2018-19.**

Treasurer presented the budget proposal for the financial year 2018-2019 in respect of FIGSI, R & D head of FIGSI and also STONA 2020.

Chairman informed that in respect of STONA, it a provisional budget till March 2019 since we have to incur expenditure on payment of advance to BIEC which is amounting to Rs. one crore and launching programme at Jaipur. He welcomed all the members to the launching at Jaipur on the evening of 1<sup>st</sup> February 2019.

Mr. Sandeep Jalan and Mr. Lalit Rathi mentioned that in the R & D budget you have shown a sum of Rs.71.50 lakhs as the projected expenses and also earmarked a sum of Rs. 4 crores for the Development activity at Hosur property.

The expenditure earmarked for secretariat expenses, taxes, purchase of periodicals etc are not the R & D activity. This has to be reclassified.

On this subject Sri. Y. Keshavaiah, Auditor of FIGSI mentioned that the entire property purchased is from the R & D funds and the fixed deposits are all earmarked only for that purpose. There is provision in the IT act also that any activity supplementing the main objective of the organisation is in order. According to this only the expenditure in the balance sheet and also in the budget is also shown separately for R & D account.

President mentioned that this will be re-examined in consultation with the auditors and where ever it is possible we will club all the heads together to avoid any miscommunication.

Further, Mr. Biyani mentioned that it is mentioned that a sum of Rs.3.34 crores has to spent before 31-3-2019 otherwise a tax mount of Rs.1.27 cores has to be paid, What is the plan of action intended on this issue.

President informed that to meet this commitment, a sum of Rs. 4 crore has been earmarked in the budget for development activity. In case the road issue is sorted out then the project will commence. Other wise we are looking for a land between one to two acres in Hosur main Road, Bommasandara, Attibele etc and if we purchase the land, the commitment can be met. If nothing materialises, then we will pay the tax of Rs.1.27 crores.

He requested members to inform him or Mr. Sunil Bhandari on any available land of our requirement in this area.

Further Mr. Biyani mentioned that FIGSI has increased Life Membership fees to Rs.42,500.00 when the Federation has sufficient funds to carry it activities to achieve the objectives as per By Laws. It becomes difficult for MSME units to become members of FIGSI.

President informed that the membership fee was fixed after amendment of Byelaw which was approved during October 2017. When the proposal was sent to all the members, there was no objection from any member and even in the SGM no one objected to the hike. In case any revision is required, member can suggest the same to the bye-law amendment sub-committee, which will examine and recommend to EC and then to SGM for final approval. These procedures have to be followed, before any changes are made.

There after the budget proposal was approved unanimously after being proposed by Sri. Ramesh Nagaraju and seconded by Mr. Pankaj Verma.

## **6. Appointment of Auditors (Chartered Accountants) for the financial year 2018-2019.**

Sri. Sunil Kumar Bhandari, Treasurer informed the meeting that the Federation has received the willingness from the present auditors M/s. Ishwar & Gopal to continue as the statutory auditors of the Federation.

After deliberations the following resolution was adopted unanimously.

**Resolved that M/s. Ishwar & Gopal, Chartered Accountants, Sri. Vinayaka Motor Service Building, No.21/3, T S P Road, Kalasipalyam, Bangalore - 560 002, be appointed as Statutory Auditors of the association for the Financial Year 2018-19 on the same Terms & Conditions as in 2017-18 for consolidated remuneration of Rs.55,000/- for FIGSI Accounts."**

- 7. Any other subject with the permission of the Chair: Points received at the FIGSI office up to 5.00 P.M. on 10<sup>th</sup> November 2018 shall only be taken up for discussion with the permission of the Chair.**

Chairman informed the meeting that the Federation has received points from 4 members for inclusion in the subject to be deliberated under any other subject. The members are as follows.

- a) Mr. R.K. Kandoi, M/s. Rashi Granite Exports India Pvt. Ltd.
- b) Mr. Lalit Rathi, M/s. Lavina Granites
- c) Mr. Sandeep Jalan, M/s. Sati Stones Studio Pvt Ltd
- d) Mr. Birj Kishore Biyani, M/s. Marble City

The question raised by Mr. Biyani has already been answered during the discussion on balance sheet and Budget since the issues were pertaining to the same subject. He will answer the points raised by the other members one by one.

**Mr. Sandeep Jalan has raised the following points.**

- a) Issuance of I pad to EC members under which law.**

This issue has been clarified by us in our earlier letter. As informed earlier as a part of digitalisation of the FIGSI operation, I pads have been issued to EC members and it is capitalised and reported in the audit report also. All the EC meeting papers are sent by email and the meeting is also conducted paperless.

Mr. Jalan mentioned that since the I-pads has been capitalised and it is the property of the Federation, proper care has to be taken for safe guarding the FIGSI property. President assured that he will take care of this issue himself.

- b) Demarcation/ limitation of the Financial powers of the office bearers and the EC members.**

Already there is Finance norms available in the Federation and all the activities are being done according to the finance norms in force. Certain delegated powers are also there in the bye-law. If further strengthening of the financial powers are required, members can send their suggestions to the bye-law amendment committee which is in the process of suggesting the amendments to the bye-law

- c) **Change the system to Conduct AGM before the elections as the responsibility of the statement of account should be with the outgoing office bearers.**

It is the regular practice of the FIGSI, to conduct the AGM before the elections are held. However this time the AGM was inordinately delayed. The suggestion of Sri. Sandeep Jalan is well appreciated and taken note off and we assure that in future the AGM will be conducted before the elections are conducted.

- d) **Discuss Election process to avoid any malpractices in the future.**

Election process of the recently held election cannot be deliberated in this forum since the matter is in court of law. However any suggestion for amending the election process for further elections, members can send their suggestions to the bye-law amendment sub-committee in writing for consideration and the same will be deliberated in EC and SGM before amending the bye-law.

**The question raised by Mr. Lalit Rathi is as follows:**

- a) **Election process:-** Gross violation of bye-laws during the election of Executive Committee members for 2018-20 and misuse of FIGSI office by office bearers.

This issue cannot be discussed in this forum since the matter is in court.

- b) **Land purchased by FIGSI at Hosur and investment on the land under the head "R & D".** - President informed that the first property at Hosur was purchased on 31-3-2011, since there was a compulsion on FIGSI to invest for R & D activity to avoid tax. Further entire 32 acres was purchased before 31-3-2012. All the procedures were followed. The agent who organised the same assured that it is his responsibility to get the connectivity road cleared. Unfortunately, he failed to fulfil his commitment and in view of this we have retained about Rs.32 Lakhs from the amounts due to him.

Subsequently, we made all out efforts to get the land first on exchange basis, then by purchase of government land etc and several times we met the collector at Krishnagiri. Unfortunately collectors were changed and we were unable to get the job done. Even we met the Secretary of Revenue department and also Land development.

Now the SIDCO is in the process of developing a Trade Centre at the adjoining government land and in principle they have agreed to allow us to have an approach road. We are following the issue with the SIDCO CMD. Once the land is transferred from the revenue department to SIDCO, the project will commence.

There is no approach road from the National High way to our property, but there is another road from the village side to our property which can be used. We are hopeful that we may get some good news shortly.

- c) **FIGSI consultant/retainer at Delhi:** - President mentioned that it is very important to have regular interactions with various ministries at Delhi and even though we are having EC members located at Delhi it will be difficult for them to attend to the issues of the FIGSI regularly. Taking note of this, it was decided in the EC meeting to appoint Mr. Rajiv Bahadur who is a retired officer from Commerce Ministry as our representative with effect from 1-1-2018. He was instrumental in organising the visit of 15 ambassadors from various African countries during STONA 2018 fair and is taking care of fixing the appointment with government departments and follow up. In case the august body feels it is not required, accordingly the action will be taken.

He also mentioned that there are many professional agencies who are taking this task for various organisations and he is examining the issue himself and will be taken up in next EC meeting.

Mr. Rathi mentioned that the issue has to be dealt in a professional manner.

- d) **As per the minutes of AGM, The past President in his welcome address on 14.09.2015 has mentioned as under -** "That majority of the factories are running single shift instead of three shifts and some of the units are under the threat of closures due to non availability of Rough Dimensional blocks for processing industry"

We request to update the house for action taken by FIGSI to remove bottle necks to make better availability of rough blocks for processing industry as situation is worser than 2015.

Please also make available relevant correspondence made with different Govt. Departments.

We agree that the Industry is facing severe problems due to non -availability of raw material and also due to competition by vitrified tiles and also quartz stone. This is happening all over the world and there is no exception in India. In this connection we have already requested Commerce Ministry as well as DGFT to make suitable amendments in the EXIM policy for free import of Granite to India without any restriction. The issue is under active consideration and is being delayed since few State governments have raised objection on this. We are sure that this issue will be sorted out shortly. We are seeking appointment with the Commerce Ministry and DGFT to discuss this issue and brief them about the gravity of the situation.

Further another hurdle is non - issue of quarry leases and renewal of the leases particularly in Karnataka and Tamilnadu. Even the declaration of the Tiger reserves and ECO sensitive zones have impacted by closing of Quarrying in Tamilnadu and Karnataka due to the above.

In this connection, we are planning to have a seminar in Bangalore by early January 2019, wherein we will be inviting the Secretary Mines, Director of Mines of Karnataka and we are planning to invite all the State governments to participate along with the Secretary Mines, Government of India, Environment and Ecology, Forests from government of India where-in both Quarrying and Processing industry will highlight the plight of the Industry. Stone Industry being second largest employment sector after agriculture is being neglected by the State Government.

We are involving CAPEXIL and FIMI so that additional pressure is created on the government.

It is our sincere request to the industry to participate in large numbers so that sufficient pressure is created. In the past we have noticed that the participants from our industry is very poor and unless we show our strength, we can not achieve our goal.

You can take the appointment with the General Secretary and see the correspondence sent to various government departments on the said issues.

- e) **Skill development and R & D centre at Jigani:** - We are in the process of identifying a land of about 2 acres in and around Bommasandra, Attibele, Jigani, Hosur main road to establish a Skill development Center, Stone Museum etc. Our intention is to see that the project has to commence during our period. If you are having good area at a competitive rate you may suggest the same to the Building Sub Committee to examine. Already we have given paper advertisement on this issue. The building committee will examine and come back before the proper forum.

#### **Questions raised by Mr. Ratan Kumar Kandoi;**

President mentioned that Mr. Kandoi is not present in today's meeting due to his prior commitment and requested to take the issues he has raised in the letter under any other subject. On the whole he has raised 8 questions out of which few are same as Mr. Rathi has raised. For other questions the answer is as follows:

- a) Mistake in the name of Hon'ble Minister of State for Finance. This point is noted that there is typography error which is regretted.
- b) The annual report is reporting the activity conducted during the period 1-4-2017 to 31-3-2018. The Hon'ble member has mistaken that the Federation is not taking care of the Processing industry. Kindly note that the Import of Granite blocks issue and GST issue is pertaining to processing Industry. We request the members to give their suggestions if any which can be taken up with the appropriate authorities.
- c) We agree that most of the Granite Industry is in the MSME sector. Many of the units are struggling for their existence due to the non availability of raw

material. This issue will be eased once more and more granite quarry leases are opened, secondly once the import of granite blocks are allowed freely raw material will be available.

Further because of the introduction of vitrified and artificial stones, the market share has come down. To tackle this problem we have written letters to Hon'ble Prime Minister to recommend to all the Government Departments and also the state Governments to use only Indian Natural stones in their construction. Similar letters will also be sent to all the Chief Ministers of all the States to instruct and promote use of Indian Natural stones in government buildings / government sponsored activity like Metro stations, Airports, etc. On this issue already a decision has been taken by the Union government and communicated to DIPP to make use of Indian items in the government procurement Under Make in India Programme. Members can send their suggestions as mentioned by Mr. Kandoi.

- d) I-pad issue is already explained earlier during the discussion on subject raised by Sri. Sandeep Jalan.
- e) **Land at Hosur:** The subject has already been discussed along with points raised Sri. Lalit Rathi.
- f) **FISGSI consultant/retainer at Delhi or other places:** The subject has already been discussed along with points raised Sri. Lalit Rathi.
- g) **Election process: For Election of Executive Committee members as per para 13 (Voting) of Memorandum of Association** - Regarding the bye-law provisions no.13 (voting) of the Federation, as informed in my welcome speech, we have constituted a bye-law amendment sub-committee and if any recommendations are there, the same can be forwarded so that it can be deliberated in detail and necessary steps will be taken.
- h) **Status of the Industry:** As you rightly said, the Granite industry is in a pathetic condition. Two important reasons for this is shortage of raw material for the processing Industry due to non-renewal of leases or stoppage of fresh leases. For this already the Federation is seriously interacting with the Commerce Ministry to amend the EXIM policy to allow import of Granite Blocks to the country. Federation is also in the process of arranging the seminars/interactive meetings with the respective State governments to emphasise the need for disposal of pending lease applications and also renewals so that the Industry will be in position to get sufficient raw material. Second thing is that quartzite has taken away a good share of Natural stone. For this we are planning to highlight merits of use of Natural stone against artificial stones so that the Natural Stones will get its earlier glory in time to come.

Further, we have also requested the union government and also the State governments to make use of Indian stones in the government projects and government sponsored projects.

Kindly note that FIGSI is working on a professional basis and is a ISO 2001-2015 registered Federation. All the issues are deliberated in the proper forum and the decisions are taken on majority or unanimous basis in the interest of the Industry and Federation.

#### **Issues raised by Dr. C.H. Rao, General Secretary, FAPGI.**

Dr. C.H. Rao informed that, few important issues pertaining to the granite quarrying industry has to be taken up by FIGSI on priority basis. Following are the issues raised by him.

- a) Review petition in Supreme Court on the order of Common Cause Verses Government of Odisha No.114/2014 and order on 02.08.2017.
- b) Pending issues of EC violation cases which more than 6000 in central govt. and various state govt. to be taken up with MoEF & CC.
- c) Industry status to natural stone quarrying – PAN India basis.
- d) Natural Stone History park and museum in Andhra Pradesh

Mr. Lalit Rathi said the quarrying issues are to be taken up on priority basis as suggested by Dr. C.H. Rao, since the processing industry is mainly depending on quarrying sector for supply of raw material.

President mentioned that, he can discuss this issue in the Quarrying Development Sub Committee meeting for further follow up and action.

#### **8. Concluding remarks of the President.**

The biggest problem for the Bangalore- Hosur based industry actually came in the form of a man made crisis when in mid-2012 almost 200 quarries located in the Madurai district were suddenly shut down by the local government due to alleged irregularities. These quarries are still not operative. The closing down of so many quarries exposed the Achilles Heels of this industry. Many of the factories in the Bangalore cluster are owned and run by people who do not have their own quarries. This was not considered a relevant factor as long as the factories were able to purchase the blocks from the quarries located in Andhra Pradesh and Tamil Nadu apart from the ones in the States of Karnataka. But once the granite processing industry took off in Andhra Pradesh, suddenly popular materials like Black Galaxy, Tan Brown etc. were not so easily available to these factories, it made more sense to process them in the factories located close by.

As you are aware, obtaining the Environment clearance for the quarry has been made mandatory by the Hon'ble Supreme Court of India and National Green tribunal (NGT).

Not taking EC clearance for the ongoing quarrying activity have resulted in violation .

In this regard MOEF and CC has issued notification declaring the violations.

A.P topped with above 700 TOR's in the MOEF portal with ref to 804 Notification and TN is second with 548.

Out of 1482 violation cases more than 1250 belongs to two States thereby bringing production to a standstill.

The shortage of blocks will, however, probably continue to be a constant problem. In the end the issue boils down to many factories all trying to get hold of the same high quality blocks for which there is high demand. As anyone with a minimum knowledge of the stone quarrying industry knows, almost by definition, the supply of these blocks will be limited- there will always be a shortage.

To tackle this issue already we have taken up the Madurai issue in the Tamil Nadu High Court and other issues are also taken up in the proper forums.

We are open minded and work in democratic way and suggestions for betterment of Quarrying and Processing industry are welcome.

President also mentioned that he is President for the entire FIGSI and all the 1154 members and not for a single section. Please be free to get in touch with me for any of your grievances so that I can do my best to sort it out.

**9. Vote of Thanks by General Secretary.**

Sri. S. Krishna Prasad, General Secretary thanked all the members who have attended the AGM in large numbers. The deliberations were in good spirit. This time it is noticed, members have gone through the report as well as the accounts meticulously and pointed out the discrepancy and offered their valid inputs. These constructive suggestions will help us to improve our performance and rectify the mistakes which might have happened inadvertently. Keep offering valid suggestions for the betterment of the Federation and Industry.

He requested the members to join for lunch.

Meeting concluded.



**Ishwinder Singh**  
President