OFFICE MEMORANDUM

Subject: - Minutes of meeting of the Granite Development Council held on 1st December, 2015

The undersigned is directed to refer to the meeting of the Granite Development Council (GDC) under the Chairmanship of Secretary (Mines) held on 1st December, 2015 in the Ministry of Mines, Shastri Bhawan, New Delhi.

2 A copy of the minutes of the said meeting is enclosed herewith.

3 This issues with the approval of the competent authority.

[V Jayanthi]

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To

1. To Joint Secretary (Mineral Policy & Legislation) - Member
   Ministry of Mines, Govt. of India
2. Joint Secretary - Member
   Department of Commerce, Govt. of India
3. Joint Secretary - Member
   Ministry of Environment & Forests, Govt. of India
4. Joint Secretary - Member
   Ministry of Finance, Deptt. of Revenue, Govt. of India
5. Joint Secretary - Member
   Deptt. of Industrial Policy & Promotion, Govt. of India
6. Secretary - Member
   Industries & Commerce Deptt. Govt. of Andhra Pradesh
7. Secretary,  
Mines Deptt., Govt. of Rajasthan  
- Member
8. Secretary,  
Industries Deptt., Govt. of Tamil Nadu  
- Member
9. Principal Secretary,  
Steel & Mines Deptt., Govt. of Orissa  
- Member
10. Secretary,  
Commerce & Industries Deptt., Govt. of Karnataka  
- Member
11. Secretary,  
Industries & Mines Deptt., Govt. of Gujarat  
- Member
12. Director General,  
Geological Survey of India, Kolkata  
- Member
13. Controller General,  
Indian Bureau of Mines, Nagpur  
- Member
14. Director,  
National Institute of Rock Mechanics, Karnataka.  
- Member
15. President,  
Federation of Indian Granite & Stone Industry, Bangalore.  
- Member
16. Secretary General,  
Federation of Indian Mineral Industries, New Delhi  
- Member
17. CAPEXIL  
World Trade Centre, Kolkata.  
- Member
18. M/s. Gem Granites, Chennai (Tamilnadu)  
- Member
- Member
(Tamil Nadu)  
- Member
- Member
22. Director, (Mineral Policy & Legislation),  
Ministry of Mines, Govt. of India  
- Member Secretary

Copy to:--

PPS to Secretary (Mines)/ PPS to AS (Mines) / PS to JS (NKS) / PS to EA / PS to Director (RL) / PS to Director (PK) / PS to Director (S)
MINUTES OF THE GRANITE DEVELOPMENT COUNCIL (GDC) HELD ON 1ST DECEMBER 2015

1. The first meeting of the GDC which was reconstituted vide Resolution No. 1/17/2015-MVI. (vol-iii) dated 1.9.2015 was held at 3:00 PM on 1st December, 2015 in Ministry of Mines, Shastri Bhawan, New Delhi under the Chairmanship of Secretary (Mines).

2. A list of the members of GDC and the officers of the Ministry of Mines who attended the meeting is given as Annexure.

3. Secretary (Mines) initiated the discussion by welcoming all the members of the reconstituted Granite Development Council. Six State Governments were represented in the Granite Development Council. Shri Gautam Chand Jain representing M/s Pokarna Ltd requested for inclusion of Telangana as a member of the GDC as it is a major granite producing state. It was decided to include Telangana as a member of the reconstituted GDC.

4. On the request of Secretary (Mines), Shri R Sekar, President, Federation of Indian Granite and Stone Industry (FIGSI) gave a brief account of the industry and presented the problems and challenges being faced by the granite industry and the support sought from the Central Government.

5. Shri Sekar highlighted the following problems being faced by the industry:
   i. Non-implementation of the provisions of the Granite Conservation and Development Rules (GCDR), 1999. While the GCDR allows for a maximum area of 50 ha. for grant of lease, most states are restricting the size of leases to 3, 5 and 10 ha. only;
   ii. Lack of uniformity in rates of royalty
   iii. Prevalence of high rates of royalty and dead rent;
iv. Non issue of fresh quarry leases and renewal of existing leases; and
v. Lack of uniformity in VAT which ranges from 5% to 14.5% across the states.

6. The problem faced over transportation of granite blocks was highlighted. Presently, transportation of granite blocks is limited, in terms of weight to 35 tonnes. As the optimum capacity of the machines is 55 tonnes, it was requested that State Governments should allow transportation of blocks weighing over 35 tonnes. Secretary (Mines) stated that the weight restriction of granite blocks during transportation must be as per the provisions of the Motor Vehicles Act.

7. Shri Sekar requested the Central Government to intervene as granite was an export commodity which earned foreign exchange for the country and requested the following support from the Ministry of Mines:

   i. Grant of leases over larger areas upto 50 ha to enable the scientific development of the granite industry;
   ii. long term leases of minimum 30 years;
   iii. automatic renewal of leases;
   iv. simplification of leasing procedures and fast disposal of lease applications;
   v. royalty rates to be uniform all over the country, which should be on ad valorem basis upto a maximum of 5%; and
   vi. liberalization of the import policy for import of granite blocks.

8. Dr K Subba Reddy, Vice President, FIGSI requested that since there was pendency in the State Governments, a time frame should be prescribed for disposing applications by the State Governments. He mentioned that Granite industry had a large employment potential.

9. Some members expressed apprehensions on the issue of State Governments being asked by the Ministry to prescribe a transparent and non-discriminatory method for grant of mineral concession for minor minerals. Secretary (Mines) explained that consequent upon the
amendment of MMDR Act, 1957 prescribing auction as the method of granting mineral concessions, the State Governments must revisit their rules under section 15 of the MMDR Act for prescribing a transparent and non-discriminatory, method in view of the rulings of the Hon’ble Supreme Court in this regard. Accordingly, directions have been issued by the Ministry under section 20A asking the State Governments to redraft their provisions for granting mineral concessions for minor minerals in a transparent and non-discriminatory process.

10. The representative of CAPEXIL informed that 90% of the industry is export oriented and granite cannot be compared with other minerals as the development of granite depends on the prevalent informational trends in fashion. He wanted action to be taken for formation of a Committee for making the granite industry globally competitive. Secretary informed that these matters fall under the jurisdiction of the State Government.

11. There were some concerns expressed on the issue of recovery percentage. It was informed that due to the high standards being followed in the export of the products as much as 85% goes waste. Therefore, it is not an appropriate assessment by the State Governments to set a very high recovery percentage.

12. After the introductory comments and the tentative suggestions, the agenda items were taken up for discussion.

13. **Agenda No. I** – Formation of a sub-committee to look into the problems being faced in implementation of GCDR 1999 by the concerned States.

It was decided to form a sub-Committee under the Chairmanship of Dr Niranjan Kumar Singh, Joint Secretary, Ministry of Mines. Concerned State Governments and representatives of FIGSI, CAPEXIL and FIMI would be the members of the sub-Committee; and in addition the
representatives of GSI, IBM and NIRM would be members of the sub-Committee. Secretary desired that the sub-Committee to look into the problems faced in the implementation of GCDR 1999 by all concerned State Governments and to arrive at consensual recommendation for the State Governments.

14. **Agenda No. II** – Import of granite blocks to be brought under OGL.

Secretary (Mines) suggested that a representation be made to the Central Government in this regard with detailed justification.

15. **Agenda No. III & IV**

It was decided that the same sub-Committee formed for agenda item no.1 would also look into the issues of scientific assessment of recovery percentage of quarries. It was also decided that the sub-Committee would undertake visits to some of the important States as well as the granite quarries to study first-hand problems faced by the industry for a proper assessment of the situation and submit a report on this issue within three months. It was also decided to co-opt Dr K Subba Reddy in the sub-Committee for looking into the problems relating to mining plan/scheme.

16. **Agenda V** – Dumping of waste

Secretary (Mines) informed the stand of the Ministry in this regard and informed the Council that the Supreme Court in the Goa Foundation case had earlier ruled that dumping of mineral waste outside the mining lease area should not be allowed. In this regard, Secretary (Mines) suggested that the lease owners could acquire/buy adjacent lands and enter into supplementary lease for dumping the mineral waste. It was decided that this issue should also be discussed with IBM and meetings can be held in the States.

17. It was decided that on completion of the work of the sub-committee and the reports thereon, a meeting of the GDC should be convened to discuss and decide the concluding action to be taken.
18. The meeting ended with a vote of thanks to the Chair.

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ANNEXURE

List of the members of GDC and the officers of the Ministry of Mines who attended the first meeting of the reconstituted GDC held on 1.12.2015

1. Shri Balvinder Kumar, Secretary (Mines)
2. Shri R Sridharan, Additional Secretary (Mines)
3. Shri N K Singh, Joint Secretary, Ministry of Mines
4. Shri Sudhaker Shukla, Economic Advisor (Mines)
5. Shri Nilaya Mitash, Secretary (C&I), Govt. of Karnataka
6. Shri Shersha, Director, Ministry of Mines
7. Dr. U. Sridharan, Director, MOEFCC
8. Shri Zubain Riaz, Director, Customs, M/o Finance
9. Shri J.K Mehra, Director (DIPP)
10. Shri Deepak Mohanty, Director of Mines, Govt of Odisha
11. Shri R. Sekar, President, FIGSI
12. Shri Manish Poddar, Chairman, FIGSI
13. Shri Ramesh Kumar Mittal, Chairman, CAPEXIL
14. Dr K Subba Reddy, Vice President, FIGSI
15. Shri M.S. Rathore, Joint Secretary, FIGSI
16. Shri S. Krishna Prasad, Vice President, FIGSI
17. Shri Rakesh Gupta, Joint Secretary, FIGSI
18. Shri Manoj Kumar Singh, Treasurer, FIGSI
19. Shri Alok Sood, Joint Secretary General, FIMI
20. Dr. S. Raju, Dy. Director General, GSI
21. Shri K.S. Yadav, Regional Controller of Mines, IBM Dehradun
22. Shri G.M. Ambarish, CEO, Pearl Mineral & Mines (P) Ltd.
23. Shri S. Hanumantha Rao
24. Shri G. Krishna Rao
25. Shri M. Kawdan, Joint Director
26. Shri S. Sengupta, Joint Director
27. Shri R. Veeramani, Chairman-Granite and Natural Stones
28. Shri M.S. Paliwal, Suptdg. Mining Engg.
29. Shri A.K. Muley, Sr. Geologist
30. Shri Gautam Chand Jain, Chairman, POKARNA Ltd.
31. Shri J.B. Surana