MINUTES OF THE 32ND ANNUAL GENERAL MEETING (AGM) HELD AT HOTEL LALIT ASHOK, KUMAR KRUPA, BENGALURU ON 14TH SEPTEMBER 2015 AT 11.00 A.M.

The 32nd Annual General meeting of the Federation of Indian Granite and Stone Industry was held at Hotel Lalit Ashok, Kumar Krupa, Bengaluru on 14th September 2015 at 11.00 A.M.

Sri. R. Sekar, President took the chair and welcomed the members.

CEO informed the meeting that the requisite quorum was not available at that point of time and requested President to adjourn the meeting for 30 minutes as per clause no. 16.2 of the bye law provisions of the Federation.

At 11.30 the AGM reassembled and CEO confirmed the quorum. 28 members were present as follows.

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<tr>
<th>Sl. No.</th>
<th>Membership No</th>
<th>Name of the Member</th>
<th>Name of Representative</th>
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<tr>
<td>1.</td>
<td>LM-0002</td>
<td>M/s. O.S.G. Enterprises Pvt. Ltd.</td>
<td>Sri. K.S. Laxmi Kumar</td>
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<td>2.</td>
<td>LM-0006</td>
<td>M/s. Precision Granites Pvt Ltd</td>
<td>Sri. J.B. Surana</td>
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<td>3.</td>
<td>LM-0007</td>
<td>M/s. Prasad Granites</td>
<td>Sri. S. Krishna Prasad</td>
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<td>4.</td>
<td>LM-0008</td>
<td>M/s. The Bharat Granites (P) Ltd.</td>
<td>Sri. S. Krishna Prasad</td>
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<td>6.</td>
<td>LM-0014</td>
<td>M/s. Indian Overseas Traders</td>
<td>Sri. N.K. Aswathrama</td>
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<td>8.</td>
<td>LM-0025</td>
<td>M/s. Kumar Enterprises</td>
<td>Sri. R. Shiva Kumar</td>
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<td>9.</td>
<td>LM-0034</td>
<td>M/s. Pallava Granites Industries</td>
<td>Dr. K. Subba Reddy</td>
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<td>10.</td>
<td>LM-0037</td>
<td>M/s. Amman Granites</td>
<td>Sri. M. Ramasamy</td>
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<td>11.</td>
<td>LM-0052</td>
<td>M/s. Regar Exports</td>
<td>Ms. Ajitha Joy</td>
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<td>12.</td>
<td>LM-0059</td>
<td>M/s. GTP Granites Ltd.</td>
<td>Sri. Siva Subramanian</td>
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<td>15.</td>
<td>LM-0111</td>
<td>M/s. Kuntal Granites (P) Ltd.</td>
<td>Sri. Ashish Bhuta</td>
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Sri R. Sekar, President before taking up the agenda for discussion, informed the meeting about the demise of Dr. Abdul Kalam, Past President of India and requested the august body to observe two minutes silence as a token of respect to the departed soul.

Two minutes silence was observed.

a) Welcome by Sri. R. Sekar, President.

Chairman, extended a hearty welcome to all the members present and mentioned that this 32\textsuperscript{nd} AGM, is the 1\textsuperscript{st} AGM for present team and in the annual report our General Secretary will highlight the important happenings and development during the period ending 31\textsuperscript{st} March 2015, and he would like to give a brief report on the latest happenings in the market and the remedial steps initiated by the Federation.

He mentioned that majority of the factories are running single shift instead of three shift and some of the units are under the threat of closure due to the non-availability of rough dimensional blocks for the processing industry. This short supply is due to the fact that the Department of mines of various states are not issuing fresh quarry leases or renewing the earlier leases. Even the existing leases are also not functioning due to the Environment issue raised by the National Green tribunal.

Now the Industry is going through a very tough phase due to the global economic situation. China which is one of the major buyer for our granite is not buying Granite like before because of the economic slowdown. In view of this our exports of dimensional blocks have dropped.

Chairman informed that recently, a delegation of the Federation met Mines Secretary, Government of India and requested him to reconstitute the GDC (Granite development Council) which will help us to take up issues pertaining to the Granite mining / quarrying industry. This is very important since the GDC will have representation from All the Directors of Mines and Geology from various state governments along with GSI, IBM, CAPEXIL, FIMI and ministry of commerce and MSME. Mines Secretary was very positive and he has assured that the necessary step
will taken on this issue. As a first step they have reconstituted the Group on Marble development under GDC for a period of 4 years from 1-9-2015. We are hopeful that the GDC will also be reconstituted shortly.

During the meeting, the Secretary who is from the state of U.P is having vast knowledge of the Granite Industry informed the delegation that he is sympathetic to the grievances of the Granite industry and he will try to address it.

On the same day we met Joint Secretary Commerce Smt. Anita Praveen and appraised her about the gravity of the situation on short supply of raw material and explained her that many of the units are under threat of closure if immediate remedial steps are not taken. We requested the Secretary to make necessary amendments in the EXIM policy for import of Granite Blocks to meet the requirements. She has requested to provide more details on the requirement and supply position to consider our request which has already been submitted. During the meeting Joint secretary commerce who is from Tamilnadu cadre mentioned that when she visited the Chennai Port, she saw large quantity of Granite blocks under shipment. We have explained that the many of the blocks which are not being processed by the domestic industry is being exported. We have also mentioned that now about 80% of the Granite is being exported after value addition and only the balance 20% is being exported as dimensional blocks.

Recently we met Sri. R.V. Deshpande, Hon’ble Minister of Large and Medium Industries and Tourism, Govt. of Karnataka and explained to him about the problems faced by the Granite Industry and requested him to intervene and help the industry to come out of the present shortage of raw material crises. We have requested him to take issue of Import of Granite Blocks with the Union Government and issue of leases and clearing pending application at the earliest so that sufficient raw material is available. We have requested him to use his good offices to see that the auction system for Granite quarry leases may be relaxed for an area less than 25 acres which he has assured that he will speak to the concerned department.

One more threat faced by the industry is the competition from the artificial stone / Engineered stone. Already 30% of the American Market is switching over to the use of Artificial stone/Engineered stone against the Natural stone. This is because of the uncertainty of the long term supply by the Stone Industry. If it continues for a long duration it will be a severe blow to the entire stone Industry. Already WONSA has started promoting the Natural Stones and the Federation is also in the process of releasing some slogans for promotion of Natural stone. This will be done during Verona Fair and also other International Fairs in future.

Regarding the R & D activity also we are committed to commence our activity this year itself and we have commenced our preliminary work. Already we have visited CDOS where similar facility is available and we are interacting with IMM carrara, Italy with whom we are having MOU for our activity. In the recent meeting with the Industry Ministry of Karnataka, he has assured to allot 50 acres of land in Doddaballapur, Karnataka and suggested to submitted a DPR. We will be preparing the DPR with the
help of professionals so that either the Hosur property or Karnataka land whichever comes first the R & D work will start. Necessary budget allocation has been made in the current year proposal which is going to be discussed later.

I am happy to inform you that the Federation conducted Road Show for promotion of STONA 2016, EC meeting and a Press Meet in Hyderabad on 11th July. The Press Meet was attended by Sri. Harish Rao, Hon’ble Minister of Mines and Geology, Telangana Government who has explained the liberal policy of the Government of Telangana and invited the Granite Industry to invest in their state and assured that all necessary support and facility will be extended. The arrangement made by the Office bearers of the FIGSI was excellent and the members from the Industry also participated in large numbers. Now the attendance in the EC meeting is also good, which shows that more and more EC members are taking part in the activity of the Federation. This is a good sign for the growth of the Federation.

Chairman informed that the industry is facing very difficult times and he strongly advice all members to follow all the rules and regulations of the Government. Both Mining and Processing Industry has to take care of Environment issues properly by adhering to the government rules. Wastages has to be disposed off in a scientific way. Proper alternate use of the Slurry and the wastage in the quarry has to be worked out.

Regarding STONA 2016 I am very happy to inform that 100% of the stalls created has been booked within a short span of 5 months. Whatever further booking requests comes will be kept under waitlist and as and when any cancellation takes place, they will be accommodated. Now the STONA team is in the process of taking care of other activities like seminars, facility and services to the exhibitors etc. I am hopeful that STONA 2016 fair will be one of the memorable event ever conducted by the Federation. I request all the members to participate in the fair.

The National Green Tribunal has passed an order making Environment clearance mandatory to the existing quarries also. Many of the State Governments have appealed in various state high courts. As per the decision taken in the executive Committee meeting on National Green Tribunal to file a case in the Supreme Court, the Federation has already appointed Sri. Dushyant Dave. Senior Advocate to represent our case. The case came up for hearing on 7th September 2015 and was admitted and posted to 24th September 2015. The case is to get exemption for the existing quarries from obtaining the EC and continue the operation and EC can be obtained at the time of renewal.

Further the federation has also filed an appeal before the NGT requesting to extend the time limit for obtaining the EC clearance by another six months, for the industry all over India similar to the benefit given to the Rajasthan State.

Chairman informed that recently the Government Policy sub-committee had a meeting on 2nd September to discuss various issues pertaining to the Shortage of Raw material and other issues. In the meeting members expressed that the promotion of the natural stone is not aggressive when compared to the artificial stones in the world.
market and members expressed that Federation has to take lead in this to promote the entire Natural stone in the global market. They also deliberated about the financial implication involved and recommended to collect a monthly fee of Rs. 5000/- to Rs.10,000/- from each member so that about 50 crores is generated per year for promotion. Further details will be worked by EC and action will be initiated.

Friends, the involvement of the members is very much required for the better functioning of the Federation. I request all the members to periodically visit our website and offer your suggestions and views for upgrading it. Kindly contribute technical articles for Indian stone. You are also requested to support the magazine by releasing your advertisement which will help us publish the magazine on self sustaining basis.

Further, Chairman informed that that to encourage the students to take up Granite study in the university, we intend to award Gold and silver medal to the best students in this field every year.

Chairman was happy to inform that 18 sub-committees were formed to take up various issues and suggest remedial actions. The committees are functioning very effectively.

To have a better and transparent operation of the funds of FIGSI, Internal Audit system was introduced by the federation. To have proper guidance and advise on all mining related issues to the Federation and also the members as and when required, the Federation has appointed Dr. T.N. Venugopal as advisor.

With this I once again welcome all the members to this 32nd AGM.

b) **Confirmation of the minutes of the 31st AGM held on 12th July 2014.**

Chairman informed the meeting that the Minutes of the 31st AGM has been circulated to all the members and no questions were raised by any members. A copy of the minutes were also circulated to the members present.

Dr. K. Subba Reddy mentioned that in the minutes in page number 4, it has been mentioned that minimum Rs. 10 crores has to be kept in fixed Deposit to meet the requirement of the Federation to meet day to day expenses. He suggested that it is better not to mention any figure since all the surplus will be kept in fixed deposit except for a small deposits in the SB A/c.

There after the minutes were approved unanimously after proposed by Sri. Anees-Ur-Rahman and seconded by Sri. K.S. Laxmi Kumar.
c) To receive and adopt the Annual Report of the Federation for the year 2013-2014.

Sri N.K. Aswathrama, General Secretary placed the annual report of the federation for the period 1-4-2014 to 31-3-2015. He also read out the important points and highlighted the activities during the year.

Thereafter the annual report was adopted unanimously after proposed by Sri. G. Krishna Rao and seconded by Sri. K. Keshava Murthy.

d) To receive and adopt the audited statement of accounts for the year 1st April 2014 to 31st March 2015.

Due to the absence of Sri. Manoj Kumar Singh, Treasurer since he was on overseas tour Sri. Sunil Kumar Bhandari, Chairman Finance Sub Committee submitted the audited statement of accounts of FIGSI for year 2014-2015.

Mr. K.S. Laxmi kumar mentioned that a sum of Rs.30,65,320/- has been shown as payable to Mr. Muruli Reddy, the same amount was shown in the earlier year also.

Chairman informed that the amount is payable to Mr. Muruli Reddy who organized the purchase of the property at Chinnapalli. Since he failed to organize the connectivity road from Highway to our property as per the agreement, this amount is kept pending to meet the expenses of the Approach Road. Once the issue is settled then his account will be finalized.

Dr. K. Subba Reddy mentioned that small amounts like Rs.9,234/- and Rs.9796/- towards the payment of TDS and EPF is shown under statutory liability, which can be avoided since the amounts are very small.

Mr. Sunil Bhandari Chairman, Finance Sub Committee mentioned that these amounts have been paid in April 2015, but whether it is small or big as per the requirements of accounting system, these amounts has to be reported.

Mr. Sunil Kumar Bhandari reported that the income over expenditure for the year 2014-2015 was Rs.96,17,677/-

Thereafter the balance sheet and all other related papers were approved unanimously after proposed by Sri Devendra Kumar Soni and seconded by Sri. Rajesh Sharada.

e) To approve the Annual Budget of FIGSI, R & D wing of FIGSI and STONA 2016.

Sri. Sunil Kumar Bhandari, Chairman, Finance Sub Committee presented the budget proposal of FIGSI, R & D wing of FIGSI and STONA 2016.

Chairman mentioned that there is an increase in proposed expenditure in respect of Secretariat expenses where a provision has been made to appointment Secretary
general and an amount of Rs.25 Lakhs has been made in respect of Legal expenses to meet the expenses for Legal fee for NGT case, in the Supreme Court.

In respect of R & D expenses provision of Rs.2.5 crores has been made for the development in the FIGSI property.

Dr. K. Subba Reddy mentioned that in the proposed expenditure of Rs.2.5 crores, authorization may be given to the EC to relocate the expenses as per the requirement since it will not be practical to spend in the same head there will be changes in the head wise expenses.

After deliberation the budget estimate for FIGSI, R & D wing were approved unanimously after proposed by Sri. R. Shiva Kumar and seconded by Sri. K.S. Laxmi Kumar.

In respect of STONA 2016, Sri. Sunil Bhandari mentioned that the budget has been done meticulously and if everything goes according to our calculation and estimation, we will be in a position to generate a surplus of Rs.6.3 crores which may go up further.

After detailed deliberation, the budget proposal of STONA 2016 was approved unanimously after proposed by Sri. Sri. Krishna Rao and Seconded by Sri. Ratnam Raman.

f) Appointment of Auditors (Chartered accountants) for the year 2015-2016.

Sri. Sunil Kumar Bhandari, Chairman, Finance sub-committee informed the meeting that M/s. Ishwer and Gopal, is auditing the accounts of the Federation from the past Six years and they have given their offer to continue with the auditing for the financial year 2015-16 for both the FIGSI account and STONA account at a remuneration of Rs.45,000/- and Rs.35,000/- respectively.

The following resolution was placed before the General body for approval.

"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 Federation for the Financial Year 2015-16 on the same Terms & Conditions as in 2014-15 for consolidated remuneration of Rs.45,000/- for FIGSI Accounts and Rs.35,000/- STONA 2016 Fair Accounts."

The above resolution was adopted unanimously after proposed by Sri. Devendra Soni and seconded by Sri Rajesh Sharada.

g) Any other subject with the permission of the Chair,

Chairman informed the meeting the Federation has not received any subject for including under any other subject on or before 1st September 2015. However before conclusion he requested members if any would like to put up their views before the
General Body, which is only for information and not for discussion since it is not listed in the agenda.

Dr. K. Subba Reddy, Vice President mentioned that it is very good move by the Federation to become member of the Geological Society of India and he suggested that the federation has to enroll in the other organization related to the mining sector like IBM, NIRM etc which will help the growth of the Industry.

He also complimented the Karnataka Chapter for taking the granite quarrying issue before the state government and mentioned that positive response may come from the Government. He also complimented the Andhra and telengana Chapter in organizing the press meet in Hyderabad where the Telengana minister himself was present and extended open invitation to the industry to come to Telengana and assured that all necessary support will be extended.

Dr. K. Subba Reddy mentioned that in so far as Tamilnadu chapter is concerned he had met Mr. Sagayam and submitted the memorandum on behalf of the FIGSI regarding the recovery issue. Similar memorandum has been submitted to the SIT by IMMA and Tamilnadu Granite Quarry owners and exporters association. The Federation has authorized him to file an appeal against the SIT report and sanctioned a sum of Rs. 10 Lakhs to meet this expenses, but so far he has not utilized the funds and all the expenditure incurred has been met by them only. The issue of filing case will be decided once the SIT submits its report to the Tamilnadu high Court.

Dr. K. Subba Reddy also mentioned that recently on 4th September 2015, a meeting of the WONASA was held at Bangalore to discuss the impact of Artificial Stone on Granite Exports. Mr. Anil Taneja, from LITOS was present in the meeting and it was mentioned that there is no aggressive campaigning from STONE sector which is the need of the hour. As a first step, WONASA has decided to earmark a sum of EURO 1,50,000 for the first year to promote Natural Stone and a advertisement Campaign will commence in Verona. He said that WONASA has requested an assistance of EURO 10,000 from FIGSI as share from India. They would like to have a meeting on this issue during STONA 2016, during which they requested the Federation to extend the hospitality to the delegates of WONASA.

Mr. J.B. Surana, mentioned that it is a good move, but WONASA has to write to FIGSI with a request giving what they expect from Federation, which can be deliberated in the EC meeting.

Sri. R. Shiva Kumar mentioned that the federation has to encourage new members to actively participate in the activities of the Federation and the new leadership has to be encouraged. This will help the growth of the Industry. The participation by members should be more in the AGM, if all the EC members attend that itself will be more than 55. But it is not happening.

President informed that when the posts/opportunity were given to the members, if they are not ready to take up the responsibility the federation cannot do anything.
Mr. J.B. Surana, IPP mentioned that to encourage more and more new members, the bye law has made restriction of two terms to the office bearers. However from the present list of office bearers you can see that more than 50% are new faces and the member has to take interest to take part in the activities of the federation.

Mr. Krishna Rao suggested that we should not make any negative propaganda of artificial stone but we should concentrate on propagating the positive points of use of Natural stone.

h) Concluding Remarks by President.

Chairman in his concluding remarks mentioned that he has taken note of the suggestions given by the honorable members and will take necessary action wherever it is required. The active participation of more and more members will enable us to get better feedback and suggestion which will help us to improve our performance.

Further, chairman informed the meeting that the federation has received a showcase notice from Commissioner of Income tax, stating that why the IT Exemption given to the federation under section 12 (a) of the IT act be withdrawn since the Federation is involved in commercial activity like conducting the STONA fairs. Already action is taken to file a reply with the help of our auditors and senior advocate like Mr. Sarangan. We will keep you informed about the outcome separately.

i) Vote of thanks by General Secretary.

Sri. N.K. Aswathrama, General Secretary thanked all the members who have attended the AGM and participated in the deliberations. Many of the valid suggestions have been given by the members and the same has been taken note off.

He requested all the members to join for lunch.

The meeting was adjourned.

R. Sekar
President