

MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF FEDERATION OF INDIAN GRANITE & STONE INDUSTRY HELD ON 9TH SEPT 2017 AT 10.30 AM AT HOTEL LE MERIDIEN, BENGALURU

Sri. K.B. Munivenkata Swamy, CEO, FIGSI informed the meeting, about the shortage of Quorum and requested the President to adjourn the meeting for half an hour. The General body reassembled at 11.00 AM and CEO confirmed the quorum.

Sri K B Munivenkata Swamy, Chief Executive Officer requested the President to take the chair and conduct the proceedings.

39 members were present as detailed below.

Sl No.	Membership No.	Name of the company	Name of the representative
1.	LM-0006	M/s. Precision Granites	Sri. J.B. Surana
2.	LM-0007	M/s. Prasad Granites	Sri. S. Krishna Prasad
3.	LM-0011	M/s. Evershine Granites Pvt. Ltd.	Sri. Ghazanfer Basha
4.	LM-0012	M/s. Kohinoor Marble	Sri. Anees Ur Rahman
5.	LM-0014	M/s. Indian Overseas Traders	Sri. N.K. Aswathrama
6.	LM-0021	M/s. Hind Nippon Rural Industries (P) Ltd	Sri. Amitabh Poddar
7.	LM-0033	M/s. Galaxy Enterprises	Sri. K. Marimuthu
8.	LM-0034	M/s. Pallava Granites Industries	Sri. K. Subba Reddy
9.	LM-0052	M/s. Regar Exports	Smt. Ajitha Joy
10.	LM-0059	M/s. GTP Granites	Sri. Siva Subramanian
11.	LM-0070	M/s. Ugama Enterprises	Sri. G.M. Hegde
12.	LM-0074	M/s. Nagswamy Associates	Sri. Ratnam Raman
13.	LM-0134	M/s. Bhasin International	Smt. Raj Bhasin
14.	LM-0260	M/s. Metro Granites & Mining Pvt. Ltd.	Sri. Manoj Kumar Singh
15.	LM-0327	M/s. Pearl Granexpo Pvt. Ltd.	Sri. Pramod Bhandari
16.	LM-0388	M/s. Jennex Granite Industries Pvt. Ltd.	Sri. Sunil Kumar Bhandari

17.	LM-0447	M/s. K-Mark	Sri. K. Keshava Murthy
18.	LM-0465	M/s. Evershine Granitiles	Sri. Khusru Basha
19.	LM-0469	M/s. Marudhar Stones International Pvt. Ltd.	Sri. Jitendra Kothari
20.	LM-0551	M/s. B.N. Granites	Sri. C.H. Jameel Ahmed
21.	LM-0646	M/s. Pashupati Granites	Sri. Sunder Somani
22.	LM-0670	M/s. Kothari Rocks India Pvt. Ltd.	Sri. Abhay Kothari
23.	LM-0675	M/s. Mount Victoria Granites Ltd	Sri. R. Sekar
24.	LM-0723	M/s. Sohaan Enterprises	Sri. Ramesh N
25.	LM-0755	M/s. YES Stones	Sri. Yeshwanth Ranka
26.	LM-0770	M/s. Sona Rocks	Sri. Mukesh Kumar Verma
27.	LM-0780	M/s. Jayes Exports	Sri. Joy Panakkal
28.	LM-0791	M/s. Jigani Granite & Marble Traders Association	Sri. Sunil Goyal
29.	LM-0810	M/s. Baba Jet Black (P) Ltd	Sri. Sunil Goyal
30.	LM-0852	M/s. Radha Krishna Exports	Sri. Jitender
31.	LM-0913	M/s. Nice Exports Inc	Sri. Rakesh Gupta
32.	LM-1021	M/s. PRP Exports	Sri. R. Arumugam
33.	LM-1039	M/s. Y.R.K Granites	Sri. Yusuf Kamal Khan
34.	LM-1040	M/s. Y.R.K. Enterprises	Sri. Yusuf Kamil Khan
35.	LM-0793	M/s. Real Granites Pvt. Ltd.	Sri. Abhinav Jain
36.	LM-0981	M/s. Kalaka Exports	Sri. Aravind B. Mangalur
37.	OM-007	M/s. Rathna Mineral Enterprises	Sri. M. Manjunath
38.	LM-0466	M/s. Natural Granites	Sri. Gautam Chopra
39.	LM-0807	M/s. Prestige Stone (India) Pvt. Ltd.	Sri. Devender Kumar Soni

1. Welcome by the President

I take this opportunity to welcome you to the 34th Annual General Meeting of the Federation of Indian Granite and Stone Industry at Bengaluru.

It gives me immense pleasure to inform you that our 13th Edition of International Granites and Stone Fair- STONA 2018 is scheduled to be held from 7th to 10th February 2018 at Bangalore International Exhibition Centre (BIEC), Bangalore. It was the privilege of the Federation to conduct the launching ceremony of STONA 2018 in Jaipur during the Stone Mart Exhibition on 3rd Feb 2017. The stage has now been set for the 13th International Granites and Stone Fair to be held in Bangalore.

Many of our events have already been reported in the Annual report but I would like to give a brief on some important developments in the Industry.

You may be aware that the government of India has opened up the EXIM policy in respect of Marble Import and has been brought under OGL. With this large number of

marble processing units are likely to come up all over India. With this development we are hopeful the participation in STONA 2018 shall also increase. Even the participation from countries like Italy, Turkey and Iran may increase considerably and other countries.

Further, as reported earlier, GDC constituted a sub-committee under the Chairmanship of Dr. N.K. Singh, Joint Secretary, Ministry of Mines, Govt. of India which conducted meetings in Karnataka, Tamilnadu, Andhra Pradesh / Telangana and Rajasthan with the Industry and also Govt. officials and also visited Quarries as well as factories to get the first hand information on various issues related to the Granite Industry. It is understood that the sub-committee has already submitted its report and now Department of Mines, Govt. of India is preparing the amendments to the GCDR 1999. We expect the government notification shortly which we hope will help the granite industry to the larger extent.

The Govt. of India has classified natural stone products i.e. slabs and tiles as luxury goods and has levied GST@ 28% under the recent GST policy announced July 2017. In view of the anomalies in the taxes FIGSI took a high level delegation to New Delhi and met Sri. Arjun Meghwal, Minister of State for Finance, Govt. of India, Sri. Kalraj Mishra, MSME Minister and presented a memorandum to reduce the GST.

In this endeavor letters have been written to Sri. Narendra Modiji, Hon'ble Prime Minister of India, Sri. Arun Jaitley, Hon'ble Minister for Finance Govt. of India, Sri. Siddaramaiah Hon'ble Chief . Minister of Govt. of Karnataka, Sri. R. Ramalinga Reddy, Hon'ble Minister for Transport, Govt. of Karnataka with a request to reconsider the proposed GST rate from 28% on Granite and Marble slabs to 5%.

Prior to the introduction of GST an interactive meeting was organized by FIGSI on GST which was held on 26th May 2017 at Hotel Chancery Lavelle road. The interactive meeting was held basically to understand the pros and cons of GST which came into force from 1st July 2017.

Presently the GST rates on Granite & Marble products have been fixed at 28% which shall damage the industry and render thousands of people unemployed. This is a cause of concern for our industry.

FIGSI is also planning to take a delegation to meet Hon'ble Prime Minister of India to apprise the problems faced by the Natural Stone Industry with a request to give suitable remedy to mitigate the problems faced by the industry. In this endeavour a comprehensive report has already been prepared and finalised with the help of M/s. Deloitte Touche Tohmatsu India LLP and we would be submitting it to the Hon'ble Prime Minister shortly.

Representations were also sent to Hon'ble Prime Minister of India Sri. Narendra Modiji, Sri. Hasmukh Adhia Revenue, Secretary, Govt. of India to treat 100% EOU units at par with SEZs in GST. The performance of many EOU units is better than

many SEZ units and being a EOU established since 1990 onwards, they are also earning valuable Foreign Exchange for the country. All the facilities provided to an SEZ unit has to be extend under the GST regime. There should not be any disparity or discrimination between the EOU and SEZ.

I am happy to inform you that FIGSI has added a feather in its cap by having being recognized as an ISO 9001-2008 organisation.

As far as the child labour is concerned in the Granite Industry during recent times, it has been brought to the notice of Federation of Indian Granite and Stone Industry (FIGSI) by IMMA / our member, that certain vested interests in European countries and particularly in Germany are propagating that the products which are being imported from India have an element of child labour involved in it.

In this regard we would like to submit that there is no iota of child labour involved in the process of manufacturing of Granite products. At the time of exports, the products are certified by **Indo-German Environment Partnership Programme (IGEP) which is Commissioned by: German Federal Ministry for Economic Cooperation and Development (BMZ).**

Also certificates have been pasted on the certified goods. A representation has been sent to Smt. Sushma Swaraj Hon'ble Union Minister for External Affairs Govt. of India on the above matter seeking strict action on rumours being floated by certain vested interests in the European Union particularly in Germany.

CAPEXIL had organized a National Conclave on Mines, Minerals and Natural Stone Industry on 30th June 2017 at Hotel Le-Meredien, New Delhi. The basic idea and objective of organizing this conclave was to have an interactive session with senior Central and State Govt. officials from the concerned departments and to create the platform towards resolving several issues.

The FIGSI delegation was led by Sri S Krishna Prasad Vice President and N K Aswathrama General Secretary. During the visit to New Delhi, the FIGSI delegation also met Sri Arun Kumar, IAS, Secretary, Ministry of Mines, Govt. of India regarding the follow up of the amendment of GCDR.

Dear friends as you are all aware the Indian Stone quarterly Magazine is coming out regularly. We request you to kindly share the events which are happening in your area pertaining to Natural Stone Industry and any State policies which are announced from time to time for the Granite sector may kindly be forwarded to us to enable FIGSI to bring it out in our magazine for the benefit of our members.

Friends after the Annual General Meeting there shall be a special SGM wherein we shall be taking up the changes made in existing Bye-Laws of the Federation after taking the valuable suggestions and advise by the members in the Committee. They have put in their extensive valuable, efforts and tried to do justice to the amendments

which have been incorporated. However there still may be some correction required in the future. Hence I earnestly require the suggestions and advice from the Hon'ble members present here today in this important matter before it is given a final shape.

Thank you one and all for giving a patient hearing.

2. Passing of Minutes of 33rd Annual General Meeting held on 16th July 2016.

Sri. N.K. Aswathrama, General Secretary, informed the meeting that the minutes of the 33rd AGM held on 16th July 2016 at Bengaluru was circulated to all the members. Thereafter the minutes of the 33rd AGM held on 16th July 2016 was approved unanimously after being proposed by Dr. K. Subba Reddy and seconded by Sri. Aneesur-Rahman.

3. To receive and adopt the Annual Report of the Federation for the year 2016-17.

Sri. N.K. Aswathrama, General Secretary placed the Annual report of the Federation for the year 2016-17.

He also read out the important points and highlighted the issues which were of importance for the information of the members present.

There after the annual report of the Federation for the year 2016-17 was adopted unanimously after proposed by Smt. Raj Bhasin and seconded by Sri. Ghazanfer Basha.

4. To receive and adopt the Audited Statement of Accounts for the year 1st April 2016 to 31st March 2017.

Sri Krishna Prasad, Vice President presented the audited statement of accounts for the year 2016-17 since Sri Manoj Kumar Singh, Treasurer was not present.

The audited statement of accounts was approved unanimously after proposed by Sri. Amitabh Poddar and seconded by Sri Gautam Chopra.

5. To approve the Annual Budget for the year 2017-18

Mr. S. Krishna Prasad, Vice President presented the Budget proposal for FIGSI, R & D Wing of FIGSI and STONA 2018 for the year 2017-18 for approval.

After detailed deliberations the budget proposal of FIGSI, R & D wing of FIGSI and STONA 2018 were approved unanimously after being proposed by Sri. Joy Panakkal and seconded by Sri. Gautam Chopra.

6. Appointment of Auditor (Chartered Accountant) for the year 2017-18

Sri. S. Krishna Prasad, Vice President informed the meeting that M/s. Ishwer and Gopal is auditing the accounts of FIGSI from the last Nine years and they have expressed their willingness to take up the auditing of FIGSI account for the year 2017-2018 at a remuneration of Rs.50,000/- and STONA 2018 Fair accounts at Rs.50,000/- with the same terms and condition as was in the earlier years.

Thereafter the Vice President placed the following resolution for approval.

“RESOLVED THAT M/S. ISHWER AND GOPAL, CHARTERED ACCOUNTANT, 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 2017-18 ON THE SAME TERMS AND CONDITION AS IN 2016-17 FOR CONSOLIDATED REMUNERATION OF RS.50,000/-FOR FIGSI ACCOUNTS and Rs.50,000/- for STONA 2018 Fair.”

The above resolution was approved unanimously after being proposed by Sri. K. Keshava Murthy and seconded by Sri. Amitabh Poddar.

7. Any other subject with the permission of the Chair

No subjects were received from any of the members before the date fixed (31st August 2017).

However, Chairman requested the members to put up any points they want to be taken up. He also mentioned that these points will be only for information and discussion and no decision will be taken on these deliberations since the subject is not circulated to all the members.

Dr. K. Subba Reddy, stated that very less amount is being spent on mementos nowadays by the Federation. In the STONA fairs only certificates are being given to participants. A memorable appreciation by way of giving a gift can be introduced.

Even when the mines safety awards are given some memento can be given as it can be kept for a long time. It would be appreciated since the members are coming a long way and contributing towards the growth of the industry and as a token of appreciation for the efforts being made by them a memento can be given.

Sri. R. Sekar, President FIGSI, stated that the point has been well taken and would advise the Stona Committee to bring into force the plan of giving mementos to the exhibitors.

Dr. K. Subba Reddy stated that a Committee be formed in the Federation who are well versed with the buyers in the Stone Fairs being conducted by FIGSI. The purpose of

having a Fair is to attract more and more buyers, instead of promotion of material. We need to have a better drive on this aspect.

Sri. K. Keshava Murthy said that a new M D had taken over in MML. The new MD is quite positive and is prepared to look into the genuine grievances of the contactors and buyers.

He stated that there would be a buyers meet on the 15th of September 2017 which was being organized by MML at Atria Hotel wherein Hon'ble Minister, Secretaries would be present. He requested Federation of Indian Granite and Stone Industry (FIGSI) which is the All India body for Natural Dimensional Stone Industry to take part in the event and represent to the Minister and the Secretaries present the problems being faced by the Natural Stone Industry.

Sri. R. Sekar responding to Sri. K. Keshava Murthy said that MML is presently having 54 quarries and reserves are close to Rs.2,000 crores out of which they are getting an interest of Rs.150 crores annually. However they are not concentrating on the building material side. There has been no extension of the lease period to the contractors.

It was decided to nominate Sri. S. Krishna Prasad, Vice President and Sri. Shiva Subramaniam Executive Committee Member of FIGSI for this meet. However an official communication was required for FIGSI to attend the meet from the side of MML.

Sri K. Keshava Murthy responded by saying that the needful would be done from MML for inviting FIGSI for the meet. He would personally contact the MML officials and get the invitation for FIGSI to attend on Sept 15th 2017.

Sri. Arvind, one of the member from the Ilkal sector Bagalkot District pointed out that there were lot of problems in North Karnataka. Every district in North Karnataka is being issued notices. The files were not moving in the districts and the Director was keeping the files pending for 20 days. After getting the clearances from the District level they had to go to the Govt. for the final approval.

Sri. R. Sekar thanked Sri Arvind and suggested that since he himself had good contacts with the Ministers at the State level he could take up the issues directly. However he mentioned that when the FIGSI delegation met the Secretary Industries they had brought to the notice of the secretary the problems being faced by the districts.

Sri. R. Sekar mentioned that as far as the auctioning of quarries is concerned, the govt. is asking for minimum guarantees which was not possible under any circumstances. A Gazette notification to this effect had already been published. This needs to be looked into.

Sri. S. Krishna Prasad, Vice President stated that the FIGSI delegation had met the secretary and discussed all the issues. On 12.8.2016 the govt. brought amendment to the rules. GOK is blind and deaf to all the concerns of the industry. The FIGSI delegation explained to the government officials the difficulties in the auction system. The draft for auction has a lot of problems when it comes to issues like royalties, DMF etc. Life for quarry owners is going to be very difficult in the State of Karnataka in the near future.

Sri. R. Sekar stated that henceforth it would be difficult to operate quarries in government land.

The FIGSI is going to have interactive meetings with the Secretaries and Directors in GOK in this regard.

One of the members present questioned as to where was it that FIGSI was 100 percent successful in solving the problems of the Industry. In this endeavor it was pointed out that even in the case of GST wherein the taxation was the highest in the natural dimensional stone sector the government had not heeded to the demands of the Industry to bring it down to 18 percent from 28 percent.

The members requested FIGSI to form a committee and suggested that there has to be a member from each association affiliated to FIGSI.

Sri. J.B. Surana, Immediate Past President, FIGSI responding to the member stated that earlier the association was known as All India Granite and Stone Association (AIGSA). Now it has changed to Federation of Indian Granite and Stone Industry (FIGSI). Since it was a Federation with an all India status, he expected the States and Associations to become the members of the Federation. When there is no interest shown by any association or member to join FIGSI then Federation alone cannot take up the cause of Industry for which it stands for. FIGSI had been repeatedly requesting for membership to the association so as to enlarge its base. Further it has also been seen that many of the associations in Jigani and nearby areas where there are a lot of industries are taking up the cases individually which shall not serve the purpose.

FIGSI was the first association to submit letters to the government on GST. Presently there is no single opinion on GST. When the new Commerce Minister took charge FIGSI sent its representation to the Commerce Ministry. But unfortunately there has been no positive response when it came to the GST issue in the dimensional stone industry.

Sri. Joy Panakkal stated that STONA is one of the major activities of FIGSI. In the agenda item of the 34th AGM there should have been one subject on the review of STONA. Since this was the last meeting before STONA 2018 Fair the members had to know about the progress of STONA and its activities. He suggested that this item should be taken up next time and the subject should be included in the agenda item.

Sri. K. Keshava Murthy, stated that during his visit to a GSI program recently there had been a very negative impression about the Industry. The Retired Secretaries, Additional Chief Secretary (GOI) and DMG of Karnataka who were present at the meet stated that there was a lot of illegal quarrying being done by the industry . They compared it to the coal scam and other scams. The Industry needs to change the mindset of the Government. This could be done by organizing Seminars, Conferences etc. The situation was such that even the general public perceives the industry as a bunch of scamsters.

Dr. K. Subba Reddy, said that when there was unity in the Industry down the memory lane things were different. We were able to stop the ban on export of blocks. The members went and represented on behalf of AIGSA which was its earlier name met the Ministers in Delhi and got many of the issues solved. Today everyone wants to have his own identity. If the decision is taken in toto by the Industry and collectively many of the things can be solved.

The reason why the Hon'ble Finance Minister Sri. Arun Jaitley did not meet the Industry representatives was that there were no strong points for the Industry to put forth to the government. Moreover we failed to represent ourselves as one community he added.

In the year 2014 all the quarries in Madurai closed down. We took a delegation to the CM of Tamil Nadu and represented the problems of the Madurai sector. On the 15th of September 2017 there is a hearing in Chennai High Court, wherein FIGSI is also a party and we have taken up the case of Madurai sector strongly. The Tamil Nadu quarry association has also taken up the issue strongly. Since it is a common problem we have to fight the case jointly. It is only then that the results can be seen and the government would look at us as one strong community and be a force to reckon with.

Dr. K. Subba Reddy took up the quorum issue in the 34th AGM of FIGSI held at Le-Meredien Bangalore on 9th September 2017. He stated that due to lack of quorum the meeting had to be adjourned by half an hour. This itself shows that we are not working as a team. For any issue to be taken up team work is very important.

Sri. R. Sekar said that so far as the Madurai issue is concerned it is mainly about the recovery. Dr. K. Subba Reddy responding to the President stated that we should be careful while submitting the mining plan. Once the GDC guidelines come into force the rules will be same throughout the country and there will be ease in policy.

Dr. K. Subba Reddy said that there were days when leases were given to industry for opening the Granite Quarries. But today times have changed and we have to change accordingly.

Sri. J.B. Surana Immediate Past President FIGSI said that FIGSI cannot take up any issue passing through problems. FIGSI shall come into the picture only when legally a

problem comes. So many issues pertaining to GCDR rules, problems relating to EOUs, import of blocks have been taken up by FIGSI.

FIGSI has also taken up the issue of child labour which came up recently. Every issue has to be taken up legally and taken up in the right perspective to take it to its logical conclusion.

Sri. Siva Subramanian EC member stated that child labour issue started in Germany by one individual named Putter. This later spread to UK. Interviews have also been published on child labour by one outfit in UK named Habitat. We have made representations through FIGSI and IMMA and met Hon'ble Union Minister for Child and Women's Welfare Mrs. Maneka Gandhi and brought to her notice the problems being faced by Industry in this regard. Similar problems had also emerged in one Association by name RUGMA which represents the carpet industry.

The Hon'ble Minister gave a kind hearing to the FIGSI delegation and stated that a team would be sent to the quarries starting from Hyderabad and going towards Chennai and Ongole from September 15, 2017.

The next day the Hon'ble Minister invited the FIGSI delegation to meet the Chairman of the National Commission for Protection of Child Labour in New Delhi. During the interactions with the Chairman it was pointed out that the Commission would be visiting all the quarries/factories and look into the socio economic conditions of the workers working in these areas. Thereafter the team would be submitting its report to the Union Govt. If any anomalies are found during the visit to the Quarry/Factory owners would be given a chance to rectify. However if there are no anomalies they would adopt an international Certifying Agency which shall certify that there is no element of child labour involved in the industry and the issue would be taken care of by the agency/govt.

Letters would have to be written to all the FIGSI members and the Quarry/ Factory owners would have to be briefed about the issue from the Federation.

8. Concluding remarks by the President

Sri. R. Sekar said that irrespective of the zones the child labour issue is very serious. IMMA in Chennai have taken up the issue and they shall be visiting the quarries shortly. All the quarry lease holders and factories should see that there is no child labour employed.

One of the main issues is that many of the factories/quarries are not following the minimum wages act and provident fund rules are not being adhered to. This is a very serious issue and if anybody violates these issues one could not export blocks and the industry will not be able to function. There was a need to educate the members in this regard.

Today there are certain regions where illegal quarries are operating and this is where when FIGSI approaches the government even the genuine cases go unheard.

In the case of recovery, ninety percent recovery is a major issue in Madurai sector. This is the same in areas like Chamrajnagar and will be followed one by one all over India. If anybody is doing business illegally we are going to remove the membership from FIGSI.

The Exports have dropped by 40 percent in the last 2-3 years. It is not only in slabs & tiles but also in monuments.

The President thanked all the members for participating in the 34th AGM of FIGSI. However he was very critical of the poor attendance in the AGM. Out of 6 Vice-Presidents, 3 Vice Presidents were not present. He also took pot shots at the absence of the Joint secretaries not present in the General body meeting. He said **“How can we blame members when our own office bearers are not present.”**

9. Vote of Thanks by General Secretary

Sri N K Aswathrama, General Secretary thanked all the members who attended the AGM and participated in the deliberations. Many of the members have given valuable suggestions which is taken note of.

He requested the members to attend the SGM immediately after the AGM which was at the same venue.

R. Sekar
President