



CAPEXIL

Minutes of the 1st Processed Minerals Panel Meeting (2015-16) held on
10th August, 2016, Wednesday at New Delhi

Shri D. Singh, Chairman, Processed Minerals Panel, CAPEXIL welcomed the participants to the meeting. He said that this is the first meeting he is taking after taking over as Chairman of the Panel. He requested the participants to introduce themselves. After self introduction, the items of the Agenda were taken up for discussion.

ITEM NO. 1:

Confirmation of the minutes of the last Panel Meeting held on 03rd July, 2015 at Mumbai

The Chairman mentioned that the minutes of the above meeting were circulated to the members of the Panel vide Circular No.: CAPEXIL/WR/VRC/PM/1759 dated 30th July, 2015 and so far the Council has not received any comments from the members of the Panel. The Chairman requested the House for comments on the minutes, if any. There being no comments on the minutes, the minutes were confirmed by the Panel.

ITEM NO. 2:

Review of the export performances of various items of the Panel during 2015-16 vis-à-Vis 2014-15

Initiating the discussion, the Chairman read out the statistical figures related to current trend in export of the items falling under the Panel as given below:

Value in Rs. Lac

	2014-15	2015-16	Growth / Decline (%)
Processed Minerals	684456.16	620373.3	(9.36)
Bleaching Earth	8211.44	8329.84	1.44
Aluminum hydrate	23345.33	18565.78	(20.47)
Ball Clay	1942.69	1144.72	(41.08)
Barytes	45256.73	65170.78	44.00
Bentonite	39997.34	48133.29	20.34
Calcined alumina (including other aluminium oxide)	329742.05	258957.63	(21.47)
Calcined Bauxite	9527.54	6554.57	(31.20)

Calcined Magnesite	53.88	76.82	42.58
Dolomite	1566.29	1418.28	(9.45)
Feldspar	28761.66	21482.14	(25.31)
Garnet	56738.27	59508.65	4.88
Ilmenite	57736.09	36452.55	(36.86)
Iron oxide	2145.07	5039.17	134.92
Kaolin	9417.52	10719.19	13.82
Kyanite	3.42	26.94	687.72
Manganese dioxide	1050.8	913.17	(13.10)
Natural Graphite	865.78	170.71	(80.28)
Processed Minerals n.e.s	12724.54	16630.9	30.70
Quartz	29412.59	30084.47	2.28
Silica Sand	98.02	64.42	(34.28)
Sillimanite	1412.63	1108.46	(21.53)
Steatite	21565.61	27028.19	25.33
Wollastonite	2880.87	2792.63	(3.06)

Source: Export-Import Bank

The members noted the export performance of the panel in US Dollar Terms as under:

Value in US\$ Million			
	2014-15	2015-16	Decline (%)
Processed Minerals	1119.4	946.6	(15.44)

The members noted that the Panel has registered an overall decline of 9.36% in export performance for the F.Y. 2015-16 as compared to the last Financial Year 2014-15 in INR term.

There is negative export growth in the products groups viz. Aluminum hydrate, Ball Clay, Calcined alumina (including other aluminum oxide), Calcined Bauxite, Dolomite, Feldspar, Ilmenite, Manganese dioxide, Silica Sand, Sillimanite and Wollastonite etc.

Shri S. Vaikundarajan of M/s. V.V. Minerals said that Garnet is showing a positive trend and export has increased by 4.88 %. If we see the past trend, the Export of Garnet has always increased between 17 and 20% every year. This 4.88 percent increase is actually not an increase rather decrease as compared the past trend.

He also said that Export Duty imposed by the Government, Competition with the developed countries and Delays in mining lease by Central & State Govt., Environment clearance issues are some of the major reasons in export decline. Mining leases are not granted and more than 300 proposals are held up.

Shri Vaikundarajan said that they are unable to export. If the above hurdles are removed, there will be quantum jump in export of the products covered under the Panel. Shri Bhavesh B.L. of M/s. Ashapura Minichem Ltd. Said that there is huge potential for export of Bauxite. Due to the duty imposed on export of Bauxite they have become uncompetitive. He mentioned that no country is charging Royalty as well as Duty also. There are many issues like renewal of lease licences, power issues, etc. They cannot set up Power Plants as it is a big issue.

After discussions on the above issue and Export Constraints as given under item No. 5 below, the Chairman of the Panel suggested Shri Vaikundarajan and Shri Bhavesh to provide detailed notes/representation on the above subjects so that CAPEXIL can take them up with the concerned division in the Ministry of Commerce and Industry.

Shri T.K. Bhattacharyya, Executive Director, Capexil assured the participants that on receipt of necessary inputs the matter will be taken up with the Government and requested them to take up these issues through Industry Associations also for remedial measures.

Shri Bhavesh suggested holding meeting of the industry captains with Ministry of Commerce and Industry, Ministry of Finance and Ministry of Mines officials to sort out these issues.

The Chairman suggested providing the detailed note / representation to CAPEXIL for taking up with the Government and thereafter meeting can be organized with the Ministry officials.

ITEM NO. 3:

Fixation of the Export Target of Panel Products for the year 2016-17

Going by the detailed discussions as mentioned above, the participants opined that there may not be big increase in export of the Panel unless the issues are addressed favourably and decided to keep the Export Target at US\$ 1000 Million for 2016-17.

ITEM NO. 4:

Regionwise membership strength of the panel

The participants noted the Membership Strength of the Processed Minerals Panel is furnished below for ref.

Processed Minerals	Eastern Zone	Northern Zone	Southern Zone	Western Zone	Grand Total
Active	24	34	77	68	203
Inactive	3	16	24	6	49
Grand Total	27	50	101	74	252

Shri T.K. Bhattacharyya, Executive Director, CAPEXIL enquired about the scope of increasing the membership of the Panel. The participants mentioned that if mining leases are granted and the issues are addressed favourably, there will be many more companies who will become members of CAPEXIL.

ITEM NO. 5:

Issues /Export Constraints related to the Panel Products

- Abolition of Export Duty on Bauxite
- Complete Removal of Export Duty on Ilmenite Ore and SR
- Possible suggestions & implications on export subsequent to release of AMCR 2016 Notification dated 11th July, 2016
- Enhancement of rate in Merchandise Export from India Scheme (MEIS) for Processed Mineral Products

Shri D. Singh, Chairman of the Panel mentioned that we have already discussed the above issues and requested the panel to provide the Note / representation for further action.

With regard to enhancement of rate in Merchandise Export from India Scheme (MEIS) for Processed Mineral Products, the Executive Director, Capexil requested the participants for reasons and justification with full details for taking up with the Government.

ITEM NO. 6:

To decide Panel's Participation in the Overseas Events for the year 2017-18 under MDA & MAI Schemes for submission of Proposals to the Ministry of Commerce & Industry, Govt. of India

The members present discussed about the MDA and MAI Scheme of the Ministry of Commerce and Industry, Govt. of India and the subsidy available under the above schemes. However, Panel did not suggest any Overseas Event under MDA/MAI for taking up with the Government for approval.

ITEM No. 7: Submission of Monthly Export Returns is mandatory:

The Panel noted that submission of monthly export returns including "NIL" returns to CAPEXIL is mandatory. The Chairman requested all the members to submit the Export Returns to CAPEXIL regularly on monthly basis.

ITEMS No. 8: Any other points

Shri B.L. Bhavesh suggested that DGFT should be requested to make documentation easier.

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