

Minutes of the Meeting of the Processed Minerals Panel held on 12/11/10 at Hotel Savera, Chennai.

Sri D. Suresh Babu, JD has welcomed all the Member Exporters by recognizing / introducing himself as customary and as a Regional Head. He said that this is the 1st time Processed Minerals Panel Meeting has been conducted in Southern Region, Chennai and thanked **Dr. Patra** for recognizing Southern Region to conduct this 1st Meeting. He invited everyone to actively participate in the Meeting. **Sri. D. Suresh Babu** has said that this meeting could be an interactive session and deliberation among all of us. We can share our Problems & Grievances. He also thanked all the Member Exporters for their presence amidst their busy schedule. Further, JD requested **Dr. Patra, Chairman** to deliver his special address.

Dr. Patra in his opening remark said that he was happy to see a good number of Member Exporters are present in this Meeting. Even in WRO, Mumbai he didn't have this much of attendance. Economic Progress and development is taking place all round universally and the development has got the momentum across the country. Mumbai is slightly losing its importance not because it is slowing down, but, other parts of the country are slowly catching up in progress and development. Processed Minerals Panel is very important for the growth of Industry in our country. India is bestowed with plenty of Natural Resources. While taking all the Natural Resources available in India Non – ferrous Metals are predominantly dominated by Alumina, Copper and Zinc. Granite, Garnet and Beach Minerals. While showing its importance (intention) for the development of Mineral Industry, the Government has put its efforts to bring out certain radical changes. Dr. Patra has expressed confidence that this meeting will throw light openly many challenges regarding some issues & grievances. We cannot solve these fully, but, at least some solution will be emerging, to some extent.

Shri DSB has informed the Members about the availability of Agenda Points to all Member Exporters.

Item No. 1 Read the Venue of 1st Meeting of Processed Minerals Panel meeting held at **Mumbai on 10th March 2010**. Confirmation of the Minutes of the Meeting that was approved by Dr. Patra which were circulated among the Member Exporters and so far no comments have been received as against the Minutes. Hence, it is approved.

Item No.2 Regarding Membership of the Processed Minerals Panel, he said that Geographical Location of the Panel is fairly distributed among India. In Membership strength Southern Region stood 1st with 62 Members and Western Region stood 2ND with 51 Members, Northern Region in 3rd and Eastern region in 4th. Earlier in southern region alone there were 110 Members. But, due to the problems of River Sand export to Maldives, some of the Members have De-registered due to Non-availability of Quota for export of River Sand. Government of Tamilnadu has banned this item for export from Tuticorin. Necessary measures have been initiated by the Council through DGFT and insisting for restoring the Quota availability of River Sand to Exporters. Of late, we have received the suggestions from the Ministry of Commerce & Industry, Govt. of India, and Whether River sand can be allowed from Andhra Pradesh or Karnataka Government. JD has expressed hope that by this year the Membership would be increased. On the other hand, we have sought for the Collectors permission from Orissa and they have shown their reluctance in giving clearance. Dr. Dhaya Devadas was critical that some people are thinking that Minerals are their own property. CAPEXIL should set right things to protect the interest of the Members. We should play a major role to protect the interest of Member Exporters regularly. JD thanked Dr. Dhaya Devadas for his comments & suggestions.

Item No.3 Consideration of Nomination of Vice-chairman of the Panel. In view of a Letter given by M/s. V.V. Minerals, JD asked the Members, whether we have to wait or shall proceed further with the rest of the Points. There was a deliberation in this among the Member Exporters. Two Members from M/s. V.V. Mineral has raised an objection that one of their officials is coming by Flight and due to adverse weather conditions one flight was cancelled and they are coming by next Flight to attend the Meeting. Meanwhile, JD has taken the matter with Chairman and the Chairman has told that he can move to the next item No. 4. Since, some of the Members voiced against this. JD has taken the opinion of majority of Participants to proceed further for electing the Vice Chairman. Accordingly, JD has read out the procedure and as per the convention of 52nd AGM of CAPEXIL for electing the Vice Panel Chairman to strengthen the Panel Activities, Panel Chairman Shri. N. Patra may consider any one Member from Southern Region for nomination as Vice-Chairman. While asking for nomination, Dr. Dhaya Devadas has offered himself to be elected as Vice Chairman of the Panel. On the contrary, some of members have refused to proceed further as they don't want the nomination process to be completed with the reason being two of their Member Exporter is about to attend the meeting. Because of the Flight delay they are coming late. But, Sri. S.R. Subramanian, Dr. Patra and JD have insisted that the person willing to stand for this post should be physically present here in the meeting. Otherwise, we cannot take any decision. Since, there was a considerable delay in starting the meeting; if we delay further everything will get delayed. Before proceeding further on this Point, we have taken the consensus of the Members present in the Meeting. We must be very clear about the 3rd Agenda point of this meeting. Thereafter, there was a commotion between Members. Subsequently, JD has asked for the Members concurrence. They felt we cannot indefinitely wait for somebody. Dr. Patra, Chairman has asked the Members to raise their hands who are all in favour of Dr. Devadas. How many of them want to wait and rest of them would like to proceed. Then, Dr. Patra asked the Members that as per the majority we can proceed. But, there was a commotion between the two groups of people came from **M/s. V.V. Mineral** and **Indian Garnet Sand Co. Pvt. Ltd., Chennai**.

Mr. Rajarathnam of Kunnam group, has proposed and seconded by others and has been accepted that Dr. Devadas is the Vice Chairman of the Panel. Dr. Patra told the participants that they can raise their objections in writing for electing **Dr. Devadas**, but we cannot wait for arrival of any one of the Member Exporter and dishonour the opinion of Majority of Members present.

In this regard, one Member has raised an objection and informed about the penalty with which Dr. Devadas has withstood. There was an argument in between Dr. Devadas and competing companies for various reasons. Dr. Patra, clearly told that this is not the Forum for any Legal and Statutory violations and there is no question of selecting a Vice-chairman only on personal interest. We have already taken 90 minutes for this procedure. But even after this if other two companies representative arrive it will still be 5 or 6 persons even then it is not going to be in their favour. But only the majority counts.

Dr. Patra has told that the personal enmity should not be there. However, there was a strong protest from V.V. Minerals during the election process. There was no unanimous decision in favour of Dr. Devadas.

Item No. 4

Export Performance review of Processed Minerals Panel. Garnet has recorded a fall. Percentage of increase in Proc. Mineral exports is not indicated.

Item No. 5: Invitation for participation in the Exhibitions / Fairs organized by CAPEXIL

Suggestions invited for the improvement of export promotion growth of Processed Minerals Panel. One Member suggested that for improving the growth in Minerals, Mining Lease should

be granted. However, Dr. Patra informed that Mining Lease is not a subject here. Export Promotion is the subject.

The issue here is export related growth. Constraints related to shipment. Other countries are cutting into our Market viz., Korea and Sri Lanka. We are left behind. One Member said that Focus Products Scheme for Minerals can be allowed depends on Duty Structure etc. We can appreciate in Calcined Magnesite. China is very big competitor for Calcined Magnesite.

One Member viz., R.R. Minerals has told that Calcined Magnesite is used in Steel Industry. Most of Mining companies are situated in Salem and it belongs to Dalmia group. There was a short supply of Minerals and very difficult to get the Raw Materials. Mines are very less in Tamilnadu except one in Salem. Magnesium Sulphate & Magnesium Oxide. Dr. Patra said, if we do some internal analysis in FOB, Logistics and cost we can arrive at some solution.

We can also explore the possibilities of RTA and enjoy lot of production. Geopolitical arrangement, inland costs are competitive.

M/s. Miracle Sands & Minerals has informed about the Shipping problems in Tuticorin Port. If we load the containers through lorry it takes 48 hours. As we are not getting space in Feeder vessel to load, our Lorries are waiting in the Port for 3 days. Because of the Non-availability of space in Vessel, 10,000 Containers were held up in Srilanka Port.

Dr. Patra has also told that similar is the case with them regarding Vizag Port as it takes waiting time for the vessel has gone up to 20 days. Sri. D. Suresh Babu, JD has told that this problem is everywhere because of poor Shipping & Infrastructure facilities, containers vessels are not reaching the destination in time.

Item No.6 Corporate Social Responsibility & environmental issues regarding Mining activities

Sri. DSB has informed the Members that he has attended so many meetings in CCTL. Time and again, we are checking regarding the road between Harbour Terminal and Tambaram. But this is not materialized. But this would definitely pave the way for speedy improvement of containers. Every council is facing this problem or issue. Dr. Patra told we will write a letter to the Ministry of Shipping, Shipping Secretary. One member has suggested that CAPEXIL can invite a Minister for a Meeting or seminar regarding the Shipping problems. Further, he has promised to conduct this Meeting by inviting Sri. G.K. Vasan. He has also narrated a positive factor and facility exists in China as far as Infrastructure Facilities are concerned. He also shared his personal experience with the Member Exporters.

Item No.7 Finalization of date, venue and time for the next meeting of the panel.

Dr. Patra said Minerals are not traded in Metal Exchange or Mineral Exchange. He also added that once Bill of Entry is filed with Customs JD has asked for any suggestions. Among all the issues pertaining to Beach Minerals and Mineral industry is very much different. Dr. Patra said the Industry will face this problem if not now, at least in future. Env. Prot. Act. Mining activity should not be relevant to this. For mining, environmental clearance should be abolished. Ministry of Water Resources, NIOP and ICMA. We have to get Forest Clearance. Before concluding on this point, JD has asked the Members regarding any other issues in general and finally to our SRC Member Dr. Dhevadas by addressing him as Dr.

But, Mr. Vaikunta Rajan has raised his objection stating that he is not Dr. Dhevadas and he is only Mr. Dhevadas. Thereafter, there was a severe commotion between Member Exporters especially with Dhaya Devadas and V.V. Minerals / Transworld Garnet India Pvt. Ltd., Thus, JD and Panel Chairman has got irritated and hurt. They informed the Members present that this is not the Form for revealing their personal enmity. Hence, at this juncture, Meeting was about to be adjourned by Sri. D. Suresh Babu, JD with the consent of Panel Chairman Dr. Patra.

Meanwhile, JD has committed to the Member Exporters of the Panel that he will organize for a meeting with **Sri. G.K. Vasan, Cabinet Minister for Shipping** to redress our Shipping & logistics problems prevailing in Tuticorin & Chennai Port. One Member rose that regarding Sand Mining permission there was a problem. For this, JD and Dr. Patra told that this is a Minor Mineral concerned with the State Government. Similarly, they have also told regarding the problem of exporting Silica Sand and for this JD has cited M/s. Mangalore Minerals Pvt. Ltd., as they are doing the Silica from Mangalore. Next, JD has asked Mr. Sundara Krishnan, M/s. Krishna & Co., Tuticorin regarding the problem of exporting River Sand to Maldives. If we have to ship from West Bengal & Orissa whether there is a Logistical problem in exporting River Sand.

However, JD said through some Member Exporters West Bengal is willing to give permission for River Sand Quota. Even then he cannot write directly to any Govt. Official in that State informing that our exporters are suffering without this Quota. He further suggested that the Government can prescribe the Quantity of at least Rs. 1,00,000 M.T. He also narrated the difficulties faced in getting permission through District Collections of VIZAG, A.P. Since CAPEXIL is getting income in the form of Service Charges for issuance of NOC. We are interested to get this Quota released. We have suggested a proposal to DGFT, New Delhi that they can release a Quota for River Sand to export from Orissa Port. As regards this, JD has advised M/s. Krishna & Co., to send a letter in writing to CAPEXIL and we in turn forward the same to concerned govt. official through proper channel. One Member has informed that due to the delay in release of Notification by DGFT, N. Delhi for release of Quota, they have lost 3 export orders for Stone Aggregate to Maldives. JD said there was an enquiry made by the Ministry of Commerce & Industry, which are all the states ready to give permission for export of River Sand. For this, CAPEXIL has suggested A.P., Karnataka and Orissa. As exporters feel that West Bengal is quite expensive because of logistical problems. Dr. Patra told having a Vice Chairman in this Region; we have seen the sentiment of the people gathered here. Objective of selecting a Vice-chairman is to select a person who will enjoy the confidence of majority of Members and must also enjoy the support of the people sitting here by serving all the Members without any room for personal enmity. I sincerely hope and believe that should we should go for an election being my personal conviction. Even if I am empowered to nominate a person whom I desire, I would not be doing justice to these Members gathered here.

As regards this, there was an argument in between the members present there including the person who has come after 12.00 P.M. For this Dr. Patra has informed the House by using his power he will defer the election / selection for this panel. Whosoever is the Vice-chairman he must enjoy the confidence of the majority of Member Exporters and technicalities may not be considered as an issue. By observing the upheaval situation happened in the Meeting during the course of election process, Panel Chairman has declared that the Vice-Chairman selection has been deferred to Next Meeting. Subsequently, requested all the Members to join for Lunch and all the participants should leave the venue in a friendly mood without any ill will or bad feeling.

The List of members present in the meeting is placed as ANNEX-I
