

**Minutes of 1<sup>st</sup> meeting of Development Council for Earthmoving, Construction and Mining Machinery Chaired by Secretary, Department of Heavy Industry on May 06, 2015 at 1100 hrs. in Conference Room No.172 (Kaustubham), Udyog Bhawan, New Delhi.**

The list of participants is at Annexure – I.

2. Sh. Vishvajit Sahay, Joint Secretary, Department of Heavy Industry welcomed the participants in the meeting.
3. Dr. Rajan Katoch, Secretary, Department of Heavy Industry and Chairman of the Council welcomed the participants to the newly constituted Development Council for Earthmoving, Construction and Mining Machinery and stated that the sector has lot of potential to grow. He sought the views of the industry on what is required to be done to help the industry to grow.
4. Sh. Amit Gossian, President, ICEMA made a Presentation on the status of the association. He informed that there are 57 members which include manufacturers, component manufacturers and finance companies. The sector has potential to grow @ 20-25% to reach production of \$20bn from \$3bn at present.
5. ICEMA has been working with DHI for setting up of Test and Certification Centre for Earthmoving, Construction and Mining Machinery. To meet rapid growth of this industry, it has set up Infrastructure Equipment Skill Council (IESC) which is closely working with National Skill Development Corporation (NSDC) for Operator and maintenance personnel.
6. The growth in this sector was good during 2009-2011 and based on this, capacities were built, but at present industry is working at about 40% capacity. There is funding problem for infrastructure equipment as contractors are not able to get finance though numbers of new infrastructure projects are being announced. There are problems in supplying machines to the World Bank Financed Projects. Though it has been rectified by new notification but problem persists with previous supplies made in such projects. Other difficulty is in getting the C-form from customers. At this, ICEMA were requested to write to DHI for further action.
7. Sh. Saurabh Dalela, ICEMA made a Presentation on Evolution of CEMM Equipment Act. He explained the current regulatory mechanism for Earthmoving, Construction and Mining Machinery equipment. CMVR is not applicable for off road vehicles. It is applicable to only those vehicles which are rubber tyred/padded. CMVR is being used to regulate the safety and emission of the vehicles which have possibility of coming on road. It does not cover the regulation of off-road machines on safety and emission norms. Therefore, a separate Act is required for Construction, Earthmoving, Material Handling and Mining Machinery. After the Act, a test and development centre would be required for testing the

equipment as per standards. This would be made applicable to both indigenous and imported machines. This Act would help equipment sector which is unregulated presently and there are no performance standards. This sector has about 70 machines/equipment. A study was conducted by ICRA regarding test centre and it envisaged about 350 acre of land and the cost of test centre was estimated to be Rs.430 crore. He informed that the Draft Act would be ready by December 2015. It may also contain rules for in service inspection mechanism. He, however agreed that no clear drawing concept has emerged for Test Centre yet.

8. At this Joint Secretary (HE&MT) enquired if CEMM Equipment Act or Quality Control Order route through BIS could be used. Representative from BIS told that standards of safety norms are ready and already printed.
9. Sh. Kaushik Basu, Chief Engineer, MORTH said that list of equipment, covered in CEMM should be clearly brought out. It may contain performance benchmarking, competitiveness quality of output, energy conservation, emission & safety norms as per baseline norms and then standards may be enhanced gradually. He also suggested that Asphalt Machinery Segment may be represented in this Development Council.
10. Sh. K.V. Krishnamurthy, BEML told that operator safety standards were discussed in the BIS Committee Meeting recently. Emission norms are required in the mining sector and good quality of diesel is not available around mining areas.
11. On the issue of land requirement of 350 acres Sh. Nitin Gokarn CEO, NATRIP stated that details of facilities are yet to be detailed out and infrastructure needs to be finalised. DPR is also not yet ready.
12. The Chairman suggested that since the Test & Certification Centre is a part of the scheme on "Enhancement of Competitiveness in the Indian Capital goods Sector", the entire concept should be concretised and the industry should suggest milestones. The DPR may contain location, test and global facilities. Global Consultant, if required to be appointed, may have a look at existing facilities at Indore and if any of the facilities could be used for test centre. Timeline may be fixed for this. Phase wise implementation may also be suggested.
13. Sh. R. K. Parmar, Economic Adviser, DHI said that ICEMA should debate among themselves about the Act, if it is required for 70 machines manufactured by the industry.
14. MORTH suggested that industry should form guidelines first for testing infrastructure and HR factor should also be taken into account.
15. Sh. Glenville da Silva, President, Infrastructure Equipment Skill Council (IESC) made a Presentation about its working. He stated that the IESC is also working with Construction and Mining Skill Council. It has 28 members which covers 90% of the equipment market. He informed that by 2023 there would be an addition of 3,00,000 machines per year in the country. Therefore, IESC has proposed to train more than 20,00,000 operator and maintenance personnel by then. It has

already framed 19 job NOS and QPs. These are for six selected equipment (out of 70) which cover 82% of the market share. More machines would be added in future. First batch would come out in September 2015. New skills would be added in next phase. NSDC has approved a grant of Rs.5 crore to IESC and the industry contribution is Rs.50 lakh.

16. The Chairman complemented the speed of work of Skill Council which is quite impressive.
17. There was presentation by BEML about its testing facilities at Kolar. It was informed that BEML has testing facilities for the CEMM industry. It was suggested that its Roll over Protection System (ROPS) and Falling Object Protection System (FOPS) facilities could be used by other manufacturers. ICEMA however, felt that for testing of machineries, independent agency may be preferred though some facilities of BEML are being used by the industry. Chairman suggested optional utilisation of the available assets/facilities.
18. Sh. N. B. Dhande, ARAI informed that they are having testing equipment under CMVR and also testing facilities for engines for CEMM industry. Its facilities could be augmented for CEMM industry requirements. They are testing engines upto 550 KW capacity.
19. ARAI was told to inform if they have excess capacity.
20. The Chairman stated that focus should be on preparation of Draft Act which should be ready by December 2015 and Test Centre DPR by March 2016. He expected that first certificate from IESC would be awarded by September 2015. Asphalt Plant manufacturers would be taken on board. Other issues if any, would be taken up with other Ministries. Next meeting may be held in six months time to discuss the progress made during this period.
21. Joint Secretary (HE&MT) thanked everyone for the fruitful discussions held in the Development Council Meeting and requested ICEMA to adhere to the suggested timeline.
22. The meeting ended with vote of thanks to the Chair.

**ANNEXURE - I**

<b>S. NO.</b>	<b>NAME / DESIGNATION</b>	<b>ORGANIZATION</b>	<b>E - MAIL</b>	<b>TELEPHONE / MOBILE</b>
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19	Sh. R. Ramshankar	John Deere	ramshankarengasamy@johndeere.com	9840266843

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