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Crushing & screening equipment market: making it through troubled times



An analysis on the crushing and screening equipment market where several leading industry experts shared their views

Crushing and screening system requirements are driven by mining, quarrying and other infrastructure projects. At present, crushing and screening market is not very encouraging in spite of abundant potential. ACE Update has talked with leading industry experts and discussed about the industry, in-depth.

Current status

"Current market status is not very encouraging in spite of abundant potential exist in the market. In ground reality, it's not reflecting due to over all infrastructure growth is facing series of challenges of regulations, scams, land accusations and funding issues," said Y. Srinivas Reddy, Managing Director, Bevcon Wayors Pvt. Ltd. "Unless clear guidelines are defined for all infrastructure projects and set up a single window clearance to take off, slow growth is going to be evident in future."

Rajen Khoda, Director of Sales, South Asia and Middle East, Powerscreen, voiced the same. He said, "Last year was a very

challenging for infrastructure projects, and the scenario continues to be challenging in 2013."

Mr Khoda continued, "Recent Supreme Court decisions regarding iron ore mining in Karnataka will hopefully lead to some positive



Recent Supreme Court decisions regarding iron ore mining in Karnataka will hopefully lead to some positive developments in the mining industry

- Rajen Khoda, Director of Sales, South Asia and Middle East, Powerscreen

developments in the mining industry. And recent impetus by the government to focus on infrastructure related issues may bring improvements toward the end of the year."

According to R.S. Raghavan, Managing Director, Proman Infrastructure Services, "The market is currently in a wait-and-watch mode with plenty of projects waiting to take off. At a time like this, the appropriate combination of the right quality, value-for-money equipment and appropriate financing have a big role to play in ensuring infrastructure projects are not affected."

While talking about the reasons for slowdown in the construction industry, V. Venkataramana, Vice President Marketing, Puzzolana, shared, "Delay in finance closure of BOT projects, issues of environmental and land acquisition, and non-availability of natural sand are the main reasons."

Recent trends

We also discussed about the recent trends in the sector. According to Mr Khoda, the favouring of tracked crushing and screening machines over traditional static, wheeled installations are common trends in India and around the globe. He explained, "Given the nature of project, an ability to mobilise quickly is required. Hence, tracked machines are emerging as the preferred choices over time."

Mr Reddy said, "Overall developmental activities are in subdued in industry. Recent judgement has created a ray of hope on improving iron ore mining sector and expected clearance of 225 hold-on projects at the earliest so that the industry becomes vibrant again. Similarly, clarity needs to be evolved sooner on coal mining issue."

He added, "We are facing acute power shortage and not able to meet the coal supply demand of power sector; hence most of the investors are not coming forward for putting up the projects with regard to roads contracts awarded by NHAI."

"Though there is delay in conclusion of projects," Mr Venkataramana shared, "the demand is for plants which produce quality aggregates and manufacture sand as per the Indian standards."

According to Sanjay Jadhav, Dy. General Manager, Crushing and Screening Business, Voltas Ltd., "The road sector is picking up in few states like Madhya Pradesh, Chhattisgarh, Bihar, and Jharkhand. Demand for tracked mobile crushing and screening units is increasing.



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- Y. Srinivas Reddy, MD, Bevcon Wayors



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- V. Venkataramana, VP Marketing, Puzzolana

Demand for ballast materials will be huge as DFS has been announced for a few railway projects."

There is also a general trend that more and more players are entering into this field. Mr Raghavan explained, "The market is now very mature wherein manufacturers that are able to provide innovative, consistent solutions to cater to the growing demand from the point of view of cost, reliability and flexibility alone, can survive."

Facing challenges

The challenges aren't going to fade away, no matter what's the industry. The great recession was there. Now, the lack of skilled manpower and government policies are becoming headache too.

Mr Khoda believes that there are initiatives underway to address this. He explained, "There is an initiative under the Indian Construction Equipment Manufacturers Association (ICEMA) to set up a skill development council along with the government of India. This initiative is in its infancy currently, but will benefit the industry in the long run by providing a steady, trained resource pool of people to work on construction equipment."

Mr Khoda continued, "In Powerscreen, we have invested in creating a resource pool of people that are knowledgeable in these areas. We are actively working with our dealers and large customers, training their staff on various aspects of selection of equipment, better operation to ensure optimal output and also resolving issues to minimise downtime.

"We have been able to recruit plenty of skilled team members who we have subsequently trained for a variety of jobs. Sales staff are trained on all our crushing and screening products. It is important for the industry to come together on such issues and address challenges through common forums, and we would welcome such initiatives," he adds.

"Needs of skilled manpower are growing day by day," emphasised Mr Reddy "good project managers required to executes projects. The challenge of acquiring skilled manpower is compounded further due to uncertainty in the market conditions. In India, most of the major projects are under control of PSU. The brain drain is definitely going to take place once the private sector gets back to the limelight."

He added, "Current situation of market is purely attributed to improper government policies which have lots of loop hole and missing clarity, leading total uncertain situation."

Mr Venkataramana has some different points. He said, "From the manufacturers point, the ICEMA (Indian construction Equipment Manufacturers Association) has formed under the guidance from CII, advising the government in creating basic norms for manpower development, safety and awareness of environment, innovations in machinery for better quality and economic way of infra industry."

As far as Proman is concerned, the constant effort is toward a continuous process of training and improving existing skills. Mr Raghavan said, "On the job training of our existing manpower at the application level with strong directives at site as well as at the Proman factory is a significant part of our training process."

Investing in innovation

However, the challenges couldn't stop the crushing and screening equipment sector to innovate. Even Mr Reddy seemed hopeful. He explained, "In current times, there are a lot of scopes for innovation as we see most of the mines are operating with 2- or 3-decade-old technologies. A lot of scopes are there for modernisation of the same with upgraded technology, unless we put current technology in place. Then innovation makes difference in reality and manufacturers will come forward for investment in innovation."

According to Mr Venkataramana, the recent innovations are sand crushing plants with minimum production of ultra fines, machines for washing of natural sand, and various sizes of dry classifiers for reduction of ultra fines.

Mr Jadhav wasn't too happy about the innovation in the market. He said, "There is no new innovation in crushing industry, but the mobile tracked units will be used more. Construction companies are moving from stationary to mobile."

Government's responsibility

The growth of this sector ridiculously depends on the government as they create the policies and pass the clearance. The government can't run away from the accountability for delaying projects. Mr Reddy seemed totally agreed with the government's involvement. He explained, "The government has to do a lot to improve the current situation. They should identify the route cause analysis for the



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- R.S. Raghavan, MD, Proman Infrastructure Services

present concerns, implement corrective action on priority, fast-track clearance of projects in transparent manner, and give banks free hand in re-structuring the current loans extended to the projects.

Mr Reddy also said that the government should create a core group to focus more on time bound deliverables and clearances. Political consensus on policy decision are must for the growth of Indian economy.

Mr Venkataramana believes the government has a lot to do like quick decisions in getting clearances, norms for quality aggregates and create standards, training norms and start of technical training institutions, and operator training of machinery.

According to Mr Raghavan, "The government must make a concerted effort to both increase and improve the quality of spending on the various infrastructure projects in the country."

Research and development

While talking about R&D, Mr Reddy said, "When there is an opportunity to develop equipment, we would like take it as window of opportunity. In last year, we have developed about 14 new products related to crushing and screening applications."

In R&D, Powerscreen doesn't seem a naive. R&D is an important part of the Powerscreen's strategy. Mr Khoda explained, "Annually, we hold focus groups and carry out numerous surveys to gain greater insight on current needs and identify changing market trends."

He also said how their engineering team focused on incremental improvements to the existing product range and updated its product development strategy to anticipate future market requirements.

"The importance of fuel efficiency is factored in at the initial machine design stages." Mr Khoda continued. "Emphasis is placed upon designing machines that give the greatest level of fuel efficiency while at the same time providing the greatest level of output."

The current product range of Powercreen is continually evolving as it moves toward designing larger mobile equipment while introducing improvements to the complete Powerscreen range. This is set to continue in 2013 and beyond. ■