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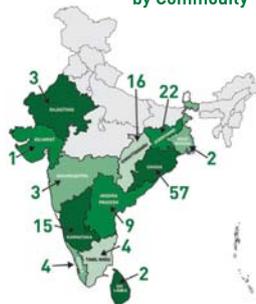


Ten (10) Stack Sizers at Iron Ore Producer in India

Derrick Screens have successfully demonstrated their benefits in many applications, including:

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- Coal ash reduction
- Fine sizing to provide uniform feed to gravity/magnetic separation
- Recovery and grade improvement of fine heavy minerals
- Improved recovery of chrome and platinum group metals
- Increased capacity and recovery of copper, lead and zinc metals

Derrick Screens in Indian Mining Industry by Commodity



Iron Ore (69)
Phosphate (25)
Coal (25)
Silica Sand (10)
Mineral Sands (7)
Chrome Ore (2)
Total: 138



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HI-G® Dryer/Dewatering Screen



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MINING EQUIPMENT SPECIAL

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Equipment industry holds sway in India's economic growth

The deep pessimism of August and September triggered by the rupee's free fall and dismal first quarter growth numbers has given way to cautious optimism on tentative signs the economy may have bottomed out and is now poised for revival. We can construe this whiff of a turnaround as 'positive delta' and the stock markets too have been quick to respond, rising to all time highs lighting up the festive season with a new glow.

To sustain this renewed revival, the focus will inevitably be on creation of infrastructure logistics which will build up demand for metals. Thus, accelerating the pace of mining for metals will be a continuous exercise and the demand for material handling equipment will never cease.

Global mining equipment will continue to depend on factors such as increasing mining activities in developing countries and the rising demand for technically advanced solutions across the globe.

The mineral and mining industry has made significant progress. The abundant mineral resources available in the country have led to the growth of equipment needed for mining applications with advanced technological features.

Rapid industrialization has stepped up the demand for world class logistical infrastructure which would serve the needs of a business to reduce cost of production, waste and timelines. Therefore, it is important to ensure that the right system and equipment are in place from a macro-level planning perspective.

The earthmoving equipment sector is gaining new dimension being egged on by the country's fast paced economic development. The demand for heavy earthmoving equipment in India is again driven by the thrust of the government on infrastructure development. India's poor and inadequate infrastructure in major cities and rural areas requires much needed push generating huge potential for equipment. The machinery and equipment industry has reinvented itself in terms of regulatory norms and product range over the last few years. Technology, enhanced quality and competitiveness across segments have been improving. However, there is a long way to go in this regard. Increasing threats from other Asian countries such as China, Taiwan and Korea have necessitated the need for providing stimulus to the industry and facilitate growth at a robust rate.

Since the last few decades, more enlightened attitudes about the values of the environment to social and economic health have brought many traditional mining practices and equipment into direct conflict with the standards now required by regulators and the general public.

The success of the manufacturing sector in India depends to a large extent on the performance of the machinery and equipment industry. The impact of improvement in these two segments has far reaching downstream effects that lead to growth in the economy.

The growth of construction and mining equipment along with the mining sector is interlinked with the growth of the economy and rightly so, India has taken up massive plans for construction of urban and rural infrastructure which will help build bridges towards the goal of setting a roadmap for a sound economic grounding.

Bevcon set for a roller-coaster ride

Y Srinivas Reddy, the founder & managing director of Bevcon Wayors Pvt Ltd, is the first generation entrepreneur who began at 25 during 1990. Under his able leadership of more than two decades, Bevcon has achieved rapid growth and delivered enterprising engineering solutions to 2400 global customers. His fervour for design engineering has led to numerous innovations in Bevcon's range of products while ensuring high quality, faster turnaround times and consistently growing its topline from inception and achieved a revenue of Rs185 crores in the last financial year.

A great scope for material handling industry lies ahead as we have abundant possibilities to explore in the mining sector once the clear guiding policies are defined by the government, says **Mr Reddy** in an interview with **Paresh Parmar...**

Excerpts

Where does India stand in terms of mining machinery when compared to other developing countries?

In my view India is lagging behind in mechanisation of the mining sector which in turn leading to large demand-supply gap. Mechanisation cost is very high which is due to total dependence on the imported machinery and their technology resulting in high cost solutions and pushing

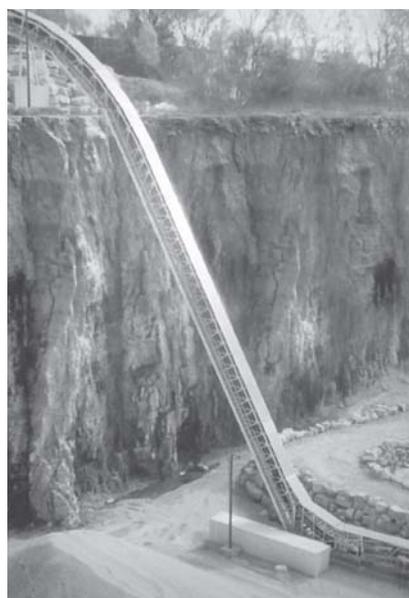


"Situation is improving currently with most of the foreign mining machinery manufacturers establishing production centers in India and are preparing to share their technological knowhow"

Y Srinivas Reddy

Founder & Managing Director,
Bevcon Wayors Pvt Ltd

most of the miners to go in conventional ways. However, the situation is improving currently with most of foreign mining machinery manufacturers establishing production centers in India and are ready to share their technological knowhow. Due to high competition, overall technology and machinery cost is going to come down in due course.



Given the slowdown in most manufacturing activities, what impact have you seen?

Infrastructure development is the backbone of the country's growth and any short falls will definitely have impact on the overall Indian economy. In my view there should be clear and firm policies in place followed by accountability factors to be fixed for the Govt. administration and as well as project developers to fulfil the set goals. Coming to manufacturing activities, yes there is slowdown, but in my view its momentary, once the clarity evolves on various environmental and mining related government policy, demand is going to grow up. However, for Bevcon impact is negligible in terms of order realizations since our presence centers around all bulk material handling industry and vast range product basket keeps us very busy.

Is there any shift in demand for mining equipment due to policy issues?

Since the impasse of coal scam issues are still haunting the coal mining industry, definitely there is shift in demand for mining equipment. No business can wait and watch for inconsistently long period. Considering current unstable government policies and general elections in the coming year current situation is still volatile for coal mining industry and for that matter the mining industry altogether. However, the demand for thermal power is ever increasing and once the issues are addressed I'm very sure that there is going to be surge in demand for the mining equipment.

On the market size of material handling equipment industry...

Due to the current economic turbulence I feel rather than projecting the size of the material handling industry, talking about opportunities makes sense. As per recent media confirmation there are projects worth about Rs10-12 lakh crore awaiting clearances. Most of these are infrastructure development projects like cement, steel, power, ports etc. As per 12th Plan period i.e. 2012-2017, investments in infrastructure is pegged at nearly 10% of the GDP and if this planned investment is realized, it will propel the Indian economy growth creating abundant business opportunities, more so, for the material handling sector.

Comment on the technological transformation in domestic bulk material handling sector?

Technological upgradation is mandatory to survive in the present competitive world. We, at Bevcon strongly believe that future lies in innovation hence we developed two-level strategy to enhance the technological upgradation of the product profile. One, by self-reliance method, we have in-house engineering research department which develops

8-10 new material handling products each year which makes us absolutely competitive in the market.

Second, by collaborating with foreign companies gives us access to advanced technology. As on date we have tied up with DSI from USA for sandwich belt conveyor; Fleximat from Austria for critical screening applications; Friedrich from Germany for unbalanced motors and exciters for our sizers and feeders; Rollier from Spain for fine screening applications; FMK from Poland for stock yard applications. From China, we have associations with Bafang for space frame steel structure circular /linear storage sheds and Nanjing for high capacity, high temperature & long distance dense phase pneumatic conveying system.

With demand for higher capacity equipment in mining, power and steel sectors, what will be your strategic plans ahead?

We have drawn a strategy to meet the expected challenges from high capacity conveying systems. We have joined hands with FMK Poland for manufacturing of stockyard equipments stackers and reclaimers and also have technical collaboration with Atlanta based company M/s. Dos Santos for long distance and high capacity conveying conveyors as well as Sandwich conveyors which have major role to play in mining, steel and power sectors.

Please give us your outlook for the material handling equipment industry...

Demand for bulk material handling in India is very good and likely to grow at 20% year-on-year over the next five years in keeping with the overall economic growth.

What are the major challenges confronting the industry? And the measures to overcome them?

With an investment of about \$1 trillion planned in the next five years in the infrastructure sector, the growth potential in material handling equipment sector can be envisaged. Considering the momentum in the infrastructure sector particularly in power, ports, mining and cement, a steady growth rate of 15-20% can be seen in the bulk material handling sector for the next five years. So, great scope lies ahead for the material handling Industry. There is vast mining opportunity waiting to be tapped and once the government comes out with clearly defined guidelines with regards to environmental clearances, land acquisitions and awarding contracts in a fair and transparent manner, the mining equipment makers will have a roller coaster ride.

Brief us about your business model? What are your expansion plans?

Our strategy is to cater to the needs of the client in all respects from concept to commissioning by manufacturing almost all equipment which are needed in a project so that we have total control on timeline commitments, cost and quality. Its always advantageous for a customer to source all the equipment from under one roof which Bevcon provides. It helps us in fixing clear responsibility and accountability that we always prefer. To meet the above challenges we have three verticals in the organization :ITP (integrated turnkey projects), MHE (material handling equipment) and AFD (manufacturing of dust control and pneumatic conveying systems). As part of expansion plans, we have put up manufacturing unit at strategically located place in Raipur in this financial year and going ahead to create exclusive manufacturing place for idlers and pulleys in Hyderabad. ■