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GOVERNMENT OF INDIA
MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
DEPARTMENT OF HEAVY INDUSTRY
PE - XI Section

22.02.2013

To


As per list attached.

Subject : Minutes of the 2nd Meeting of the Development Council for Heavy Electrical and Allied Industries held on 11th February, 2013 at 4 PM at Kaustubham in Udyog Bhawan, New Delhi.

Sir,

I am directed to refer to the Meeting held under the chairmanship of Secretary, Heavy Industry & Chairman of the Development Council on 11.02.2013 to finalise the draft Mission Plan (2012-22) for the Domestic Electrical Industry and to forward herewith a copy of the minutes of the said meeting for information and further necessary action please.

Yours faithfully,

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22.02.2013
(A.K. Agrawal)

Under Secretary to the Government of India
Tele : 23063347

Encls : As above

Copy to : Sr. PPS to SHI/ PS to JS(S)/ Dir(RPG)/IA(KKT).

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Minutes of the 2nd Meeting of the Development Council for Heavy Electrical and Allied Industries held on 11th February, 2013 at 4 PM at Kaustubham in Udyog Bhawan, New Delhi.

List of participants is annexed.

2. At the outset Secretary, Heavy Industry & Chairman of the Development Council welcomed the members and requested members to contribute by way of suggestions and ideas to formulate a comprehensive mission Plan for electrical equipment industry in India, the agenda item for the meeting.
3. After the introduction of the members, a brief about the genesis and the methodology adopted in the formulation of the Mission Plan for electrical Industry was given by Shri Ambuj Sharma, Joint Secretary and Member Secretary of the Development Council. The design of the Logo of the Mission Plan was also discussed and suggestions were invited from the members for its improvement.
4. **Shri Neelkamal Goel** from Ernst & Young made a power point presentation about the contents of the Mission Plan 2012-22. He also elaborated on the detailed process of extensive interactions and collaborative approach followed by DHI/IEEMA with all the concerned stakeholders including various ministries, Planning Commission, Associations, CPSEs, Academia etc., over the last one and a half years, in formulating the draft Mission Plan 2012-22.
5. **Shri Vimal Mahendru** – Past President, IEEMA introduced his organization and explained the activities IEEMA is undertaking to promote Indian brand overseas e.g. under the reverse buyers-sellers meet, utilizing the various schemes of Ministry of Commerce, etc.
6. **The Chairman** suggested that the ambitious target of production and export of the electrical equipment should be co related with the Planning Commission's Power Generation and Distribution target for the year 2022 and the corresponding investment needed should be clearly brought out. Tamil Nadu and Gujarat were identified as two progressive states with similar level of manufacturing activity; however, Tamilnadu has a 25% per capita latent demand for electrical power . He desired that within the country, region/cluster wise break-up of demand potential, investments made/potential etc., could be studied for future implementation of Plans. Chairman expressed satisfaction about the infrastructure problems being addressed by the Government at the ports for the exporters. However, the problems of poor condition of roads and bridges remain that contributes to the delays in the erection and commissioning of the Power Plants.
7. **JS/ Member Secretary** suggested that in skill development chapters, bench marking of our level of skills and the productivity of labour with some of the leading manufacturing nations like Thailand, Korea etc. should be attempted. The standard operating procedures and the strategy to improve the labour productivity along with use of robotics, automation etc may be brought out clearly. Heavy investment in R&D is required to be made to stand ahead of the foreign companies

in the product development. Investment in R&D by domestic companies is typically around 1-2% only as compared to the foreign companies that spend around 5% of their turn over on new product development. The employment potential in this sector is around 1.5 million persons and that includes manufacturing as a core activity and 3 times additional in service, utilities and erection.

8. **Shri Langer** from IEEMA mentioned that much of our equipment are also obsolete. BIS should actively participate with IEC and be involved in the standardization of equipment. The onus of standardization rests with the utilities, CEA and BIS . As of now, there are no standards of equipment for ratings below 33 KV level. He further suggested that Indian Companies like ONGC Videsh and other Mining Companies located in Central Asia and Africa float International tenders rather than Indian tenders thus depriving Indian Companies from the preferential opportunity to bag the orders of equipment.

9. **Shri Gaurav Dave**, JS NMCC suggested that Power Electronics will play a major role in future as far as efficiency and control is concerned. Few clusters can be developed for manufacturing power electronic devices.

10. **Shri Thotwe** from Mahagenco said that short circuit testing facility is not available in the country and there is a problem in the availability of forgings for turbine and the generators and the Mission Plan may address these issues.

11. **Shri Murgeshan** from CPRI stated that they have seven testing centers spread across the country and have a 12th Plan budget of Rs.1360 crore to establish comprehensive testing infrastructure. Member Secretary suggested for the creation of Centre of Excellence for futuristic products in collaboration with Fraunhaffer Institute/BHEL/IITs /National Laboratories of CSIR etc.

12. **Shri O.P. Arora** from Nuclear Power Corporation Ltd informed that the joint venture between BHEL and Alstom has been finalized and there are problems related to Nuclear Liability Bill and embargo in the import of high technology protection relays, UPS and variable voltage inverts. NPCL is facing the shortage of higher rating emergency DG sets, 2MW and above UPS and class I (2000AH) lithium batteries due to limited empanelment of local suppliers and domestic companies should take action to address these shortcomings.

13. **Shri Dinkar Devate** from NTPC stated that to improve the efficiency, analogue networks above 200 MW have been converted into digital distributed/SCADA systems. The resulting fine tuning has reduced down time considerably. It can also be applied for 110 MW and below for the similar efficiency improvement provided compatibility and cost benefit for order sets accrues.

14. **Shri Chetan Bejasure** from FICCI suggested that along with the duty structure, the deemed export status for electrical equipment should also be

considered. The purchase preference of Indian equipment is possible in Government utilities and not in independent power producers' plants. The land Acquisition Bill should not be passed in the present form and industry inputs and concerns need to be fully taken into consideration by Government.

15. **The JS/Member Secretary** requested NPCL, FICCI, CPRI & Mahagenco to submit their written comments within a week, for incorporating in the draft Mission Plan. Since this sector is very product heterogeneous, a comprehensive strategy is needed for its development. The schemes have to flow out of the Mission Plan. Some will require just follow up action and others may need budgetary allocations if adopted.

16. **The Chairman** summarized the discussion by motivating the members that the targets set out in the Mission Plan are quite ambitious and the success lies in realizing those numbers. Therefore, focused working together is the need of the hour. He desired that the Mission Plan may now be finalized by end February, 2013 for launching it in March.

Meeting ended with a vote of thanks to the Chair.

ANNEXURELIST OF PARTICIPANTS

1. Shri M.F. Farooqui, Secretary, DHI

2. Shri Ambuj Sharma, Joint Secretary, DHI
3. Shri R.P. Goyal, Director, DHI
4. Shri K.K. Tiwari, Industrial Adviser, DHI
5. Shri Zakaria Khan Yusufzai, Sr. DO, DHI
6. Shri Vimal Mahendru, IEEMA, Past President
7. Shri Rohit Pandit, Director, IEEMA
8. Shri S.L. Lange, Adviser, IEEMA
9. Shri J. Pande, Director, IEEMA
10. Shri Ravinder Advani, Ex-V.P., Thermax Limited, Pune.
11. Shri O.P. Arora, Ex-Director (Procurement), Nuclear Power Corporation of India Limited, Mumbai
12. Shri Dinkar Devate, GM Project, Engg.-Elect., NTPC Limited
13. Shri Neel Kamal Goyal, Partner, Ernst & Young
14. Shri N. Murugesan, Director General, CPRI.
15. Shri Chetan Bijesure, Director, FICCI
16. Shri D. Banerjee, Director, Bharat Forge Infrastructure Ltd.
17. Shri R.S. Johri, President, Reliance
18. Shri Shravan S., Reliance Power

- 19. Shri C.S. Thotwe, Maharashtra State Power Generation Co.
- 20. Shri Gaurav Dave, Joint Secretary, NMCC
- 21. Shri Prafulla Pathak, Regional Manager, MSEB Holding Co., New Delhi.

- 22. Shri Dharendra Joshi, NTPC Limited
- 23. Shri D.K. Dubey, GM (PE-Mech-SG), NTPC Ltd.
- 24. Shri R.S. Shivakumara Aradhya, Addl. Director, CPRI, Bangalore.
- 25. Ms. Shailja Garg, Asstt. Director, FICCI
- 26. Vinayak Vipul, Manager, Ernst Young

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