



S Ananthkrishnan,
AVP, Mining Project Sales, Gmmco

GMMCO is fully geared up to serve its customers with efficient product support, so they achieve maximum uptime and productivity of CAT fleet, says **S Ananthkrishnan, AVP, Mining Project Sales, Gmmco.** Excerpts from the interview.

What are the growth prospects for mining equipment demand?

Mining, especially coal mining, is currently the focus in India, because of severe coal shortage caused due to inadequate progress in boosting coal production by PSUs and private sectors in the last three years.

Present government is now all set to fast track coal mining to ease the power situation which has a direct bearing on the GDP growth. PSU coal companies are now in a 'Run' mode in giving quick boost to coal production through purchase of mining of equipment as well as overburden excavation through equipment hiring. Demand for mining equipment from PSUs is expected to increase considerably in the near future.

Will the proposed e-auctioning help revive the coal sector?

It should. The proposed auction of first set of blocks in March 2015 to private and PSUs will open up good demand for mining equipment from 2016. However, it depends on the participation and price level that the private sector companies are willing to pay for the auctioned blocks.

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Success of auctioning also depends on the commitment government is willing to give towards fast paced environment/forest clearances as well as support for land acquisition. We are already witnessing concerted efforts from PSUs viz CIL subsidiaries, SCCL, NLC, and GMDC to increase coal and lignite production and the results will be seen in 2015.

What is the current demand-supply scenario for mining equipment?

Caterpillar, with the acquisition of Bucyrus, has the full range of mining equipment for surface as well as underground. With global demand currently on the lower side, Caterpillar will be able to meet the anticipated increase in demand in India. Caterpillar plant in Chennai where 40-100T dumpers are manufactured is also geared up to meet the demand.

What are the major opportunities that drive the demand now?

PSU coal companies are in the process of purchase of various mining equipment to augment their existing fleet which will enhance the coal production in the next 2-3 years. It is learnt that CIL is making plans to achieve an annual coal

production of 1,000 million tonne by 2019 by opening new opencast and UG mines. NMDC also is set to add more mining equipment for their existing mines as well as to a new mine which is to commence soon.

Auction for the first set of 74 coal blocks is expected to be completed by 31 March 2015 which would create good demand for surface mining equipment.

Several tenders are currently in process for UG equipment and if processed speedily, it would spur growth of UG mining equipment.

What is the potential for underground mining (UG) equipment?

There is a very good potential for underground mining, especially in coal as this minimises the environment issues. In the last five years high capacity Room & Pillar systems as well as Long Wall systems have demonstrated their capability in CIL subsidiaries, due to which CIL has earmarked several mines for design and development by UG method in the next five years. Tenders/orders for a few UG projects are underway. A few UG coal blocks will also be auctioned for bidding by private end users of cement, sponge iron etc.

Caterpillar currently have five sets of R&P systems and one Long Wall system operating in SCCL, SECL and ECL. SCCL R&P system has been in operation since last five years, established very good production benchmarks and considerable experience has been gained by Gmmco.

In the last two years, Gmmco has created the set-up for UG and filled key positions in sales and projects with experienced professionals. With Caterpillar support, Gmmco is offering CAT UG equipment to Indian customers with dedicated and efficient product support. Gmmco is also leveraging its

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- **V Chandrashekar, AVP (Mining - Non-CIL), Gmmco.**



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expertise in product support of surface equipment in the UG domain enabling customers improve their coal production.

To what extent Gmmco has geared up to meet the expected demand?

Gmmco works very closely with its principal Caterpillar giving constant feedback on Indian mining sector scenario. Caterpillar who manufactures (Bumper to Bumper) and supplies world-class mining equipment which are known for their outstanding reliability and productivity, are keen on India business and have growth plans drawn up to meet the anticipated spurt in demand in India.

In the last few years, Gmmco has augmented the product support team and have imparted training as per Caterpillar global standards, in our state-of-the-art learning centre in Chennai. Service engineers also undergo periodic training to enhance their skills. In addition to the exiting Caterpillar five star CC rated component repair shop in Nagpur, we have opened a new facility in April 2014, which is spread over 40,000 sq m in Buttiburi near Nagpur, with the capability for complete rebuild of surface and underground mining equipment.

What are the initiatives taken by Gmmco to sustain the growth?

Gmmco has taken several initiatives



"Auction for the first set of 74 coal mines would create good demand for surface mining equipment."

- Anuj Keolia, AVP (Mining - CIL), Gmmco.

such as new machine rebuild facility, existing workshop upgradation, technology-enabled equipment management solutions, leadership training for middle level managers, skill development for service engineers and technicians, rental solutions, parts inventory enhancement etc, which are all the enablers to meet and sustain growth.

Also, these are the value adds that Gmmco brings to our customers and we are well ahead of our competition.

What are the major challenges Gmmco face as a service provider?

Indian customers are looking primarily at the initial cost of mining equipment and are taking their purchase decisions accordingly while Caterpillar's philosophy is to supply equipment of superior technology, coupled with high productivity, reliability and safety features. Lack of according higher weightage to these aspects as well as product support capabilities of the servicing dealer has the risk of mediocre class equipment finding its way into Indian mines.

Gmmco would like the Indian customers to be ready to pay higher initial prices to buy equipment of global repute such as Caterpillar which will definitely pay them back in the long run.

Due to continuing thrust on coal production/OB removal at lower cost, efforts by private mining companies to adopt safer mining methods by deployment of medium sized, higher priced mining equipment in lieu of smaller and cheaper equipment is not being pursued. Due to this upgradation towards global standards in mining is still evading us.

Stalled iron ore mining in Goa and Karnataka since last 2-3 years has increased our dependence in coal mining. Excess capacity build up in the last three years has also reduced equipment opportunities in cement sector.

Prevailing high interest rates is a deterrent for equipment and spare parts stocking which are crucial for Gmmco in making equipment and parts more readily available to our customers for their uninterrupted operations, especially now to achieve quantum jump in coal production in the next four to five years. Lower interest rate would be of great support to Gmmco's operations.

How do you assess the future potential?

Future definitely looks bright. Hopefully the various steps being taken now by the government to grow the economy and mining quickly will progress without many hurdles. Gmmco is looking forward to play a dominant role in the Indian mining equipment segment.