

Centre working on new norms for off-highway construction equipment

Move to regulate industry, curb use of spurious spare parts

PRESS TRUST OF INDIA

New Delhi, December 7

The government is firming up a Construction Equipment Manufacturing (CEM) legislation to introduce a separate regulatory framework and Act for off-highway equipment, a top official said on Wednesday.

The proposed legislation is similar to the Central Motor Vehicle Rules and will soon be placed before Parliament for its enactment. It will cover construction equipment that is not wheeled and aim to curb the use of spurious parts.

Setting standards

"The new regulations are for off-highway construction equipment which are not wheeled because for the wheeled, the Road and Transport Ministry is making

regulations," Heavy Industries Secretary Girish Shankar, said at an ASSOCHAM event.

"Standards will be set on what kind of people can operate these machines. This will be an enabling enactment. Along with that, it will provide for testing and certification of equipment."

Asked when the proposed legislation will become a reality, Shankar said, "As soon as possible. We have to hear from the stakeholders, particularly the construction and equipment industry. They will present their views very soon. Once they are available, we will finalise the draft and bring it before Parliament."

He explained that the legislation is required because the industry has to gear itself towards quality and adoption of the right technology and discourage the use of spurious spare parts.

External borrowing

The Secretary said the Heavy Industry Ministry has also, pro-



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posed allowing use of external commercial borrowing (ECB) to finance domestic equipment, excluding construction equipment in future FTAs, including locally produced construction equipment in export market access incentives and developing a dedicated R&D and advanced test facility.

"How to improve on the input

costs via financing external commercial borrowings, those things are being considered," Shankar said.

He said the ministry would take up the issues in leasing, particularly those of multiple taxation, with the Finance Ministry.

"We have to introduce a friendlier tax structure to introduce a separate regulatory framework

and Act for off-highway equipment. We have already drafted a legislation for CEM," Shankar said.

Industry 4.0

The government is setting up experience centres for advanced manufacturing where stakeholders can get a first-hand knowledge on the benefits of adoption of Industry 4.0.

"We will be creating experience centres along with the industry, academia and the equipment suppliers, equipment for Industry 4.0, particularly the automation and the software industries. We have already finalised one with partnership with IIT Kharagpur," Shankar said.

"We are thinking of having it in Bengaluru and other places where even smaller units, medium scale industry can experience how they can adopt Industry 4.0 and improve their productivity and become more competitive," he added.

Rate-cut would have given industrial economy a fillip, say chambers

PRESS TRUST OF INDIA

New Delhi, December 7

With RBI belying expectations of a rate cut, India Inc expressed disappointment saying a rate cut was needed to provide fillip to the flagging industrial economy and stimulate consumption that has been hit by demonetisation.

"At this juncture, a 50 basis point cut in the repo rate would have provided the needed boost to the flagging industrial economy.

"The consumption demand has been impacted post demonetisation and a rate cut would have given a strong signal to the consumers and to the industry as well," Ficci President Harshavardhan Neotia said.

At this juncture, a 50 basis point cut in the repo rate would have provided the needed boost to the flagging industrial economy: Ficci President Harshavardhan Neotia

"Amidst a highly uncertain global environment, the impetus for growth will have to come from the domestic economy," Neotia said.

"The underlying message is that the things at this stage seem to be in a state of flux even as the RBI itself has revised downward the estimates of the GVA by 50 basis points.

"How the demonetisation would play out for growth, lending rates or even inflation is not clear," said Assocham President Sunil Kanoria.

EEPC India Chairman TS Bhasin said engineering exporters would look up to the central bank to restore normalcy in the domestic market by way of remonetisation of the currency.

"The exporting community is still facing problems with regard to production and reaching consignments to the ports.

The exporters were also expecting some special window for the labour-intensive sectors at least with regard to lower rate of interest," Bhasin said.

Industry disappointed, says rate cut needed to boost economy

NEW DELHI, DECEMBER 7

With RBI belying expectations of a rate cut, India Inc today expressed disappointment saying a rate cut was needed to provide fillip to the flagging industrial economy and stimulate consumption that has been hit by demonetisation.

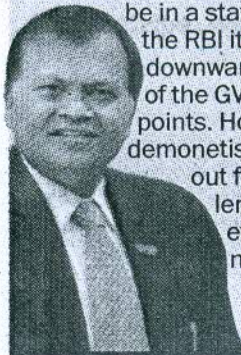
"At this juncture, a 50 bps point cut in the repo rate would have provided the needed boost to the flagging industrial economy. The consumption demand has been impacted post demonetisation and a rate cut would have given a strong signal to the consumers and to the industry as well," Ficci president Harshvardhan Neotia said.

"Amidst a highly uncertain global environment, the impetus for growth will have to come from the domestic economy," Neotia said.

Taking markets by surprise, the RBI today kept short-term lending rate unchanged even as the central bank lowered GDP growth rate to 7.1% and short-term disruption in economic activities due to

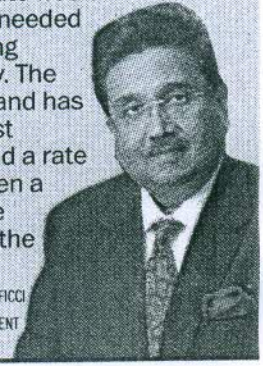
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demonetisation.

All the six members of Monetary Policy Committee headed by RBI Governor Urjit Patel voted in favour of the decision.

In view of disruption in economic activities due to demonetisation, RBI lowered growth forecast from 7.6% to 7.1% for the current fiscal.

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regard to lower rate of interest," Bhasin said.

The headline inflation is projected at 5% by the fourth quarter of 2016-17 with risks tilted to the upside but lower than in the October policy review.

On demonetisation, it said, the withdrawal of old high value currency notes could transiently interrupt some part of industrial activity in November-December due to delays in payments of wages and purchases of inputs, although a fuller assessment is awaited. — PTI

India Inc disappointed

Mumbai/New Delhi, Dec. 7: RBI's decision to leave interest rates untouched caught the market by surprise as the Sensex switched gear by reversing its two days of gains and cracked 156 points on Wednesday to close at 26,237.

India Inc too expressed disappointment at Reserve Bank's decision saying a rate cut was needed to provide fillip to the flagging industrial economy and stimulate consumption that has

been hit by demonetisation.

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