

**MINUTES OF 4TH MEETING OF CRANE OWNERS
ASSOCIATION OF INDIA HELD AT PUNE
ON 7.11.2011 BETWEEN 3.00 PM & 6.30 PM
AT
SANGHVI MOVERS LTD,
SURVEY NO.92, TATHAWADE, PUNE 411033**

Present:

1. Chandrakant Sanghvi (CMD, Sanghvi Movers Ltd)
2. R.S. Desai (ED, Sanghvi Movers Ltd)
3. Raju Ozarkar (Sanghvi Movers Ltd)
4. Ashwin Gandhi (Express Equipment Rental & Logistics Pvt Ltd)
5. Amar Bedi (Barkat Hiring)
6. Navin Dedhia (Navin Heavy Lifters)
7. Mitesh Shethia (Shethia Erectors)
8. Sunil Makad (Steel Carriers)
9. Pinakin Thaker (Oasis Infrastructure Pvt Ltd)
10. Bajranglal Agarwal (Kandla Cargo Handlers)

Mr. Ashwin Gandhi (President) thanked Mr. Chandrakant Sanghvi for sparing his valuable time to attend the meeting and allowing to conduct the meeting at his Pune Office.

2. Mr. Gandhi briefed the members present about the previous meetings which were held after Mr. Chandrakant Sanghvi initiated the move to form the Crane Owners Association of India at the 1st meeting held on 09.02.2011 at KOBELCO Yard (Bauma Conexpo Show) at Mumbai.

3. Mr. Gandhi informed the Registration of the Association under Section 25 of the Companies Act, 1956. A copy of the Memorandum & Articles of Association along with the Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai were placed on the table for perusal of the members present.

4. Mr. Gandhi informed the members that the PAN card has been obtained in the name of the Association (**PAN "AAECC5610K"**) and formalities to open Bank Account with ICICI Bank are expected to be completed before 15.11.2011.

5. Mr. Gandhi circulated a list of 18 members, who have already become members of the Association by paying the requisite fee. He also circulated another list of 33 members, who have submitted the membership forms duly filled in, but the subscription amounts remain to be paid, which is expected to be received once the Bank Account is opened.

6. Following points were discussed in the meeting:

(a) Each Executive Committee member with the assistance of other crane owners / members in the region should try to enroll atleast 25 members to the Association so that the total number of members shall reach the figure of 500 members by 31.03.2011. In addition, all efforts should be made to enroll Associate Members to the Association from the category of manufacturers/suppliers of cranes/spares/services.

(b) Mr. Gandhi briefed the members about the discussions he held with SANY and ZOOMLION during his visit to Beijing in China, who appreciated the formation of the Crane Owners Association of India. According to them, a national level Association is necessary to take care of the interests of the crane owners & their associates. They have assured of extending all assistance which may be required (financial support as well as training materials in English Language as and when a Training Institute is started by the Crane Owners Association of India).

(c) Issues regarding RTO tax, Entry tax, Service tax & VAT in various states need to be taken up appropriately by the Association.

(d) Finance Ministry and Transport Ministry, Government of India will be approached by the Association so as to treat "crane hiring services" under Infrastructure Development category to avail tax benefits as at presently extended to other infrastructure companies.

(e) Website of the Association is likely to be ready by mid-December 2011. It is proposed to put scrolling logo of all crane owners/members/hirers, who agree to contribute minimum amount of Rs.2.50 lakhs towards corpus fund of the Association.

(f) Manufacturers of cranes will be allowed to put scrolling logo on the Home Page of Website of the Association at a price to be fixed by the Executive Committee at appropriate time. This will benefit all the members and the users of cranes, who can directly go to the website to get in touch with hirers after obtaining required information.

(g) Each and every member shall be provided with a Pass Word so as to open and look into various notifications/rules/regulations of Central & State Governments and various details of the members of the Association.

(h) Membership application form will be made available at website for downloading & use so that it can be filled up and forwarded to the Association with requisite fee.

(i) Members can use the information available at the website to pay their subscription and other contributions directly to the Association's bank account by way of RTGS/NEFT, which will be duly acknowledged, when received.

(j) It has been decided to collect contributions to the Association from the importers of mobile & crawler cranes and other equipment (new or second-hand) at the time of import to India. The contributions shall be collected @Rs.5,000/- for import of cranes/equipment upto 100T capacity and @Rs.10,000/- for import of cranes/equipment above 100T capacity. These contributions will be collected with effect from 01.01.2012.

7. Mr. Chandrakant Sanghvi expressed his concern and gave advice on the following issues:

(a) Amount receivables and difficulties experienced in collection of hire charges from various companies, which vary from two – six months.

(b) Several clients are not making payment of hire charges in time to the crane hirers.

(c) He wanted the Association to assist such hirers where inordinate delay is caused in recovering the hire charges, as and when specific requests are received in writing. The modus-operandi can be discussed and finalized in subsequent meetings.

(d) Common terms & conditions on Letter Head of the Association for crawler cranes and mobile cranes should be provided to all the members. Draft of the common terms and conditions should be prepared by each member and it should be sent to the Association so that the final draft can be prepared/finalized and circulated to all the members after its approval by the Executive Committee. Mr. Chandrakant Sanghvi confirmed that at the next meeting of the Executive Committee, when held in December 2011/January 2012 at Mumbai, he would personally desire to finalize the same in consultation with all the members. Once such terms and conditions are finalized, same can be used by each and every member of the Association while offering crane services to various clients.

(e) It was suggested that in the common terms & conditions, interest clause is to be inserted so that when the payment is not received in time or within the time stipulated by any hirer from any client, interest debit note can be raised.

(f) Jurisdiction, in case of any dispute, should be mentioned as the place of the crane hirer and not the place specified by the crane user. This should be strictly followed for the benefit of the members.

(g) Mr. Sanghvi expressed that he would ask for service tax for next six months in advance when the cranes are given on hire. This is due to the expected change in the tax laws after July 2012, when service tax is payable in subsequent month at the time of billing and it is not necessary that the payment is received from the party.

(h) Mr. Bajrang Agarwal and Mr. Sunil Makad informed that if the Service Tax is not paid to the crane hirer by the user company within 90 days, then the same is disallowed by the Service Tax Department to the user company.

(i) Mr. Sanghvi informed that representation can be made to the Central Government for not allowing the foreign crane operators to operate in India since Indian companies are capable of supplying cranes of 600T to 1200T & above capacity for various projects. This is due to the policy of transfer pricing adopted by the foreign companies as they do not pay income tax on full realization since they repatriate major amounts to other countries. TWC, Sarans, Memmoth and few other foreign companies are examples for such transfer of funds when they operate in India. Hence this benefit is not available to the Indian companies in such a competition. Government of India is also at a loss due to lower income tax paid by such foreign companies.

(j) Mr. Sanghvi very emotionally expressed his concern about various reports of accidents due to inadequate training imparted to crane drivers/operators in India. Safety training need to be initiated by the Association and he offered his facilities at Pune for the purpose. He emphasized the need that the crane owners should be good humanbeings and work with the Association with a human touch. Towards this, a code of conduct need to be drawn.

(k) President advised all the members to visit the **EXCON** Exhibition during 25th – 27th November, 2011 being held at Bangalore. Members shall visit all manufacturers / suppliers at the Exhibition together and try to make them Associate Members of the Association by getting their contributions. This will accelerate the process of membership drive. Also large number of crane owners from Bangalore and other cities will be attending the exhibition. They should also be approached and membership forms must be provided to them during this Exhibition with a view to make them members of the Association. Mr. Sanghvi and others agreed to this suggestion.

(l) At the end, after due deliberations, it was decided that following amounts should be contributed towards the corpus fund of the Association by the members, in addition to the annual subscription / entry fee / legal fund:

Categories	Mobile / crawler crane / equipment, having capacity of	Amount of contribution towards corpus fund
"A"	600T and above	10,00,000/-
"B"	400T	5,00,000/-
"C"	250T	2,50,000/-
"D"	150T	1,00,000/-
"E"	100T	50,000/-

(m) Mr Sanghvi agreed that he will contribute additional sum of Rs.5,00,000/- as and when the copus fund of the Association exceeds Rs.1.00 crore. All the members present in the meeting appreciated & applauded this kind gesture.

(n) Mr. Sanghvi handed over Cheque No.005616 dated 15.11.2011 (HDFC) for Rs.5,00,000/- to the President of the Association as initial contribution towards the corpus fund.

The meeting concluded with a vote of thanks to the Chair.

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