ISSUE 53 NEWSON ISSUE 53 NEWSON ISSUE 53

INDIAN TRANSFORMER MANUFACTURERS ASSOCIATION

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We are thankful for your support in the activities of ITMA and hope your patronage will continue for further growth in the business of transformer and allied industries. Besides, readers, colleagues and friends are requested to share with us any news/ report or suggestions they may consider appropriate for printing in the newsletter.

Smill

(B. LAL, Director General)

REGIONAL SEMINAR ON "STANDARDIZATION, CERTIFICATION, QUALITY CONTROL ORDER AND TESTING OF DISTRIBUTION TRANSFORMERS" ON 19TH AUGUST 2016 AT HOTEL PRIDE PLAZA, SALTLAKE KOLKATA

Indian Transformer Manufacturers Association (ITMA) along with International Copper Association India (ICAI), jointly with Bureau of Indian Standard (BIS) organized a seminar of the East & North Eastern States on 19th August 2016 at Kolkata, for awareness on the standards and the mandatory BIS certification due to imposition of quality control order on electrical transformers w.e.f. 1st February 2016 besides the energy efficiency and testing of transformers.

The Seminar was attended by more than 100 delegates from Utilities/Discoms, transformer manufacturers, representatives from recognized Test Houses and others. Chief Guest of the Seminar was Shri Rajesh Pandey, IAS, CMD, WBSEDCL besides Shri Rakesh Kumar, Scientist-F (DDGE), BIS Kolkata, as Guest of Honour Shri D. Goswami, Head ETD as a guest faculty from BIS, New Delhi.

The Seminar was a grand success and could disseminate awareness amongst the delegates on BIS Standards, Certification/Registration for BIS certification and resolving the various issues of the delegates during the question- answer session by the eminent speakers from the BIS, Test Houses (CPRI, NTH & ERDA) and from the utility.

The various educative presentations made during the conference have been uploaded on the ITMA's website (www.itma.org.in) and could be viewed and downloaded for the information and guidance of the members and non-members.



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Subject Presentation	Presented by		
Certification of Distribution Transformers as per IS 1180 (Part-1) 2014	Ms. Ishita Dalal Scientist-B, BIS, Kolkata		
Presentation on Standards - Distribution Transformers	Shri Debdas Goswami, Head (Electrotechnical),BIS		
Distribution Transformers - Practices in CESC	Shri Bratin Banerjee, Dy. Manager, CESC Limited		
Distribution Transformers - Energy Efficiency & Reliability	Shri Hemanth Kumar, Chief Manager, ICAI		
Transformer Test Facility at ERDA	Shri Kapil Sharma,Head Of Section – Transformer Testing, ERDA, Vadodara		
Facilities Available for Transformer Testing at, NTH, Ghaziabad	Shri Yogesh Singh, Scientist SB (Electrical) NTH –NR, Ghaziabad		
Reliability & Efficiency of Distribution Transformer from WBSEDCL Perspective	Shri Abijeet Banerjee, Shri P.P. Roy, Addl. Chief Engineer West Bengal State Electricity Distribution Company Limited		
Certification an Overview	Shri P. Panda, Sc. 'F' & HKKBO, BIS, Kolkata		
Testing facilities at CPRI	Shri Swaraj Kumar Das, Joint Director, CPRI		

SHRI RAJEEV SHARMA TAKES OVER AS CMD OF PFC



Shri Rajeev Sharma, has taken over the charge of 'Chairman and Managing Director' of Power Finance Corporation Ltd. (PFC) with effect from 1st October, 2016. Shri Sharma succeeds Shri M. K. Goel who retired on 30th September, 2016 on attaining the age of super annuation. Prior to joining PFC, Shri Sharma was the Chairman and Managing Director of Rural Electrification Corp. Ltd. (REC).

SHRI BHAGWATI PRASAD PANDEY TAKES AS CMD OF REC



Shri Bhagwati Prasad Pandey, 59 years, is holding additional charge of Chairman and Managing Director of Rural Electrification Corporation Limited since October 1, 2016. He joined Indian Administrative Service in 1983 in un-bifurcated cadre of Uttar Pradesh and later transferred to Uttarakhand cadre and has been in the Civil Services for about 33 years.

THE 1ST MEETING OF THE MONITORING COMMITTEE TO OVERSEE THE IMPLEMENTATION OF ELECTRICAL TRANSFORMERS (QUALITY CONTROL)ORDER, 2015, ON 27.09.2016

The first meeting of the Monitoring Committee constituted by DHI under the Chairmanship of Shri. R. K. Singh, Jt. Secretary, DHI was held on 27th September 2016 at 6.00 P.M. which was attended by the representative from Industries Association ITMA and IEEMA along with the representatives from Test Houses, CPRI, NTH and ERDA besides representatives from MoP, CEA, BIS & WBSEDCL. Chairman Monitoring Committee after welcoming the participants to the first meeting of the Monitoring Committee to ensure the implementation of the transformers quality control order, 2015

MINUTES OF THE FIRST MEETING OF THE MONITORING COMMITTEE TO OVERSEE THE IMPLEMENTATION OF ELECTRICAL TRANSFORMERS (QUALITY CONTROL) ORDER, 2015 HELD ON 27TH SEPTEMBER 2016 UNDER THE CHAIRMANSHIP OF SHRI RAJESH KUMAR SINGH, JOINT SECRETARY, DHI.

At the outset Chairman requested the industry associations to come out with their concerns and the following issues came up:

1 IEEMA/ITMA SUBMISSION

- 1 It takes longer duration for issue of BIS licence after submission of the application to BIS for certification.
- 2 Different BIS regional Offices have different version of the licensing procedures, which is creating confusion amongst manufacturers.
- 3 The validity of the BIS license should be increased from 1 year to preferably 5 years.
- 4 Up gradation of BIS licence takes months together at various zonal / regional offices particularly Jaipur in Rajasthan, Lucknow in UP and similarly in other places.
- 5 BIS recognized NABL approved Testing Labs are limited to CPRI & ERDA and there is long waiting for testing of the transformers.
- 6 BIS may consider to authorize NABL accredited Testing Labs of Engineering Colleges/IIT's for conducting testst.
- 7 IEEMA & ITMA requested Mop to write letters to all State Discomes to help in the implementation of the Electrical Transformer Quality Control Order 2015.
- 8 As BIS Certification is already mandatory, Industry Representatives requested that BEE should be made voluntary which will give some relief to the industry.
- 9 Second's grade CRGO import is still coming in India through various parts in the form of cut laminations and transformer parts. IEEMA was advised to prepare a white paper and submit the same to DHI for necessary action.

2 BIS SUBMISSION

- 1 DDG certification, BIS informed that there are two procedures for grant of license: a) Normal Procdure b) Simplified Procedure. Both the procedures are applicable for grant of license.
- 2 He informed the guidelines are being followed by all regional branches, however he agreed to sort out the issue, if any, as and when any specific brought to their notice.
- 3 Regarding grant of license and its validity BIS had agree to look into the same since the same is governed by guidelines.
- 4 He also informed that apart from 4 Laboratories (2 of CPRI and 2 of ERDA), BIS will shortly include NTH Ghaziabad under BIS recognized laboratory.

3 NATIONAL TEST HOUSE SUBMISSION

- 1 Representative from NTH Ghaziabad informed that except for short circuit test they are equipped to do all test related to transformers. They also informed that BIS is going to access their further testing of transformer sup to 2.5 MVA which is under mandatory certification.
- 2 Representative of NTH, Alipore, West Bengal informed that they are having all infrastructure facilities and within 1 and half years they shall be ready to all testing related to transformers up to 2.5 MVA.

4 ERDA SUBMISSION

ERDA informed that their testing lab at Mumbai is not getting enough samples for testing and the capacity is underutilized.

5 MINISTRY OF POWER

1 For mandatory certification from both BEE and BIS, DHI requested Mop to respond on this subject. Director (Distribution), MoP informed that BEE is mandated by the Energy Conservation Act 2011. He also informed that BEE star

The curious case of shrinking, but more cost efficient transformer



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labeling scheme is applicable up to 200KVA, which will soon now be applicable up to 2.5MVA. He also informed that in past this subject was discussed with Hon'ble Minister (Power), where it was agreed that BEE shall issue their certificate based on the testing done by BIS. He also informed that because it is part of Energy Conservation Act, this cannot be removed. DHI informed that the Act needs to be looked into and revert back on the issue of dual verification.

2 Mop informed that the QC order is applicable on all manufacturers, however, law will take its own course in case of default by manufacturers.

DECISIONS TAKEN BY CHAIRMAN:

- 1 National test House should be brought in as testing laboratory for certification of the transformers up to 2.5 MVA for grant of license by creating necessary test facilities.
- 2 Industry Association should rationalize the testing facilities by appropriate mapping/grouping of the manufacturers so that the testing facilities available at recognized BIS labs are utilized fully, to avoid delay in testing.
- 3 Enquired whether 4 labs (2 from CPRI and 2 from ERADA) are adequate enough for testing and expressed that there is a need to identify few clusters where basic model of transformer testing could be established.
- 4 Advised ERDA to spread their existence in other regions of the country.
- 5 Instead of creating additional labs to cater the crisis of testing laboratories, engineering colleges like IIT's/NIT's may be considered for conducting test which are NABL accredited.
- 6 There should be time bound actions by BIS to speed up the licensing procedures as the manufacturers are suffering from penalties from the State Electricity Board as they are not able to supply the product because of the delay in testing.
- 7 Mop should intervene into the issue of testing facility. As industry has grown exponentially, the laboratories are not able to do testing activities in a time bound manner.
- 8 IEEMA should organize more such awareness workshop in different parts of the country where there is resistance w.r.t. the QC Order. IEEMA informed that to start with they will organize first in Mumbai and later to the other regions to create awareness among all stakeholders.
- 9 Informed that there is not going to be any further extension on the Electrical Transofrmer Quality Control Order 2015. White paper on CRGO, as requested by Jt. Secy. DHI, during the monitoring committee meeting held on 27/9/2016.

Department of Heavy Industries constituted a Monitoring Committee to oversee the implementation of the quality control order 2015 on electrical transformers under the Chairman ship of Shri R. K. Singh, Jt. Secretary, DHI, having the representation from MOP, CEA, BIS, CPRI, Test Houses, Industry Associations and the head of the State Discoms etc. In the first meeting of the Monitoring Committee under reference, the concerns of the Industry Association regarding the implementation of quality control order on electrical transformers 2015 were discussed and deliberated at length and various decisions to resolve the issues were taken. The minutes of the meeting were circulated vide letter No.5(2)/2009-PE-XI (Vol.III) dated 10th October 2016 by the Under Secretary, DHI.

One of the concerns under the submission of the associations at Sl.No.(1) Para 9 was regarding the unabated import of seconds/used CRGO in the country in the form of cut laminations or as transformer parts even after the imposition of the quality control order dated 12th March 2012 effective from 1st July 2014 on steel and

steel parts including CRGO. The Chairperson had requested to submit a white paper on CRGO for taking necessary action to stop the import of seconds/used CRGO in the country in any form. Accordingly ITMA forwardedthe white paper on CRGO to Jt.Secretary, DHI. Copy is available on ITMA website www.itma.org.in

CLARIFICATION SOUGHT BY CUSTOMS FOR IMPORT OF TRANSFORMER LAMINATIONS

ITMA wrote a letter to Shri Sanjiv Maini Member Secretary MTD-4 Bureau of Indian Standards on the subject and the letter sent is as under for information.

"We have received your mail dated 8th September 2016 through Mr. Vipin Singhal on the subject wherein you have sought clarifications from MTD 4 members on electrical steel whether the laminations for transformer fall under the ambit of IS:3024 and hence mandatory certification.

Unscrupulous importers have long been importing non-prime CRGO/ off cuts/mill rejects/seconds/defective and even used CRGO from dismantled old transformers for over two decades for use in the manufacture of transformers for supply of power, adversely affecting the power sector. Accordingly the quality control order on steel and steel products was issued by Ministry of Steel on 12th March 2012, in order to import only such products which meet the prescribed quality parameters/technical requirements laid down in Indian Standards to ensure quality of steel/ steel products. The CRGO Electrical Steel as per IS:3024 is also one of items covered under the quality control order, which is one of the important materials in manufacturer of electrical transformers.

It could be observed from the letter No.SG/Inv-34/2016-17 CIU, JNCH dated 31st August 2016 of Customs Department attached with your mail with relevant excerpts as under:

"The importer has submitted that the laminations for transformers are manufactured out of CRGO steel strips which are cut into a definite shape and size and has specific electrical and magnetic properties to it. He has not submitted any BIS certification it as the goods have been classified under CTH 85049010".

The modus- operandi of the importer is to get the laminations cleared as transformer parts under CTH 85049010 at the Customs without compliance to the quality control order dated 12th March 2012 which implicitly implies that the BIS marking is mandatory on the lamination cut to specific size from the CRGO steel strips by the processors located out of India whose credentials about the traceability of CRGO with BIS certification have to be established by the importer .

It is pertinent to point out here that laminations in cut form of CRGO were never imported prior to the implementation of the quality control order as large number of processors are available in India. Now in order to conduct the business of transformer manufacturing with the use of non-prime CRGO (which is half the price or even less of prime CRGO), processing units have been established in the neighbouring countries where non-prime material can be easily imported and used as transformer parts for exports to India evading BIS certification.

Instances of import of non-prime CRGO were noticed by the authorities even after the issue of quality control order dated 12th March 2012, which was extended up to 1st July 2014. The unscrupulous elements started getting CRGO cleared at various ports by finding loopholes in the quality control order.

In this regard Director (Customs) vide his communication dated 9th July 2014 to all Commissioners of Customs has clarified the following in order to stop the import of any sub-standard CRGO sheets/strips in contravention of the quality control order.

 The India Standard IS:3024 include all grades/types of CRGO steel sheets and strips unless or otherwise some grades/types are specially excluded from



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Indian Standards and specific clarification issued by BIS stating exclusion of the particular grade.

ii) The Steel and Steel Products (quality control)order, 2012 read together with General Note 2A of ITC (HS) 2012, Schedule 1 import policy and the Explanatory notes permit import of only such products which meet the prescribed quality parameters/technical requirements laid down in Indian Standards. Therefore, import of such items shall be permitted only from manufacturers/exporters who have obtained BIS license for use of standard marks and the products meets the prescribed quality parameters/technical requirements of the relevant Indian Standards and also bears the standard marks. In other words, import of second/defective/old used CRGO sheets, strips and coil in any shape and size is not permitted.

Even Ministry of Steel issued an amendment to the subject Quality Control Order through a notification/order No.S.O.3064(E) dated 4th December 2014. The excerpts are as under:

"In the Steel and Steel Products (Quality Control) Order, 2012, in the schedule for explanation, the following shall be substituted namely:-

Explanation 1: The provisions of this order shall apply to the products described under column (2) of the schedule covered under the relevant Indian Standard number mentioned under column 91)

Explanation 2: ITC (HS) Codes mentioned under column (3) are generic and indicative in nature."

It has been clarified that the CRGO has to only conform to IS:3024 while HS code mentioned in the column (3) of the Quality Control Order is indicative/generic in nature. The Electrical Steel CRGO being imported and cleared with the description as per column (2) has to conform to the relevant Indian Standard as per column (1) of the subject Quality Control Order thus making the ITC (HS) code in column (3) irrelevant.

Directorate General, DGFT was given the complete details vide our letter No.ITMA/11/2014/537 dated 22nd December 2014 for issuing necessary directions/orders to stop the menace of import of sub-standard CRGO material with copy to Ministry of Steel, Ministry of Power and Ministry of Commerce. Besides we have been in regular touch with MOS & DGFT and taking cognizance of our communications Ministry of Steel has written to Directorate General, DGFT vide that D.O. Letter No. 1(1)/2014-TW (Vol 1) dated 1st March 2016 to get the matter looked into for an immediate action to stop the import of notified steel products circumventing the steel and steel products quality control order dated 12th March 2012.

In conclusion, import of lamination as transformer parts should not be allowed under any context of interpretation in view of the notified amendment dated 4th December 2014 issued by MOS which is amply clear in respect compliance of quality control order dated 12th March 2012 for CRGO. In the event of any other interpretation or ignoring the amendment to the quality control order through Notification No.S.O. 3064(F) dated 4th December 2014 shall open flood gates for the import of spurious CRGO and India shall be branded as grave yard of non-prime/defective/seconds/off cuts/used CRGO from old dismantled transformers, in the International steel market. Alternatively GOI should issue one order to avoid misinterpretation of various orders covering all aspects for import and its clearance so that no loop holes are left for getting the spurious CRGO cleared at ports.

However the clarifications could be sought from Ministry of Steel who has issued the quality control order on steel and steel products dated 12th March 2012. We are also forwarding your mail along with the letter from Customs Department to Jt. Secretary, Ministry of Steel for clarifications".

12TH EDITION OF ITMA DIRECTORY 2017

You are aware that ITMA being a national association has been in the service of Transformer and its Allied industries for last over 37 years and undertakes the exercise of bringing out new edition of Directory after every 2 to 3 years due to enrolments of new members, change in the address/telecommunication network and addition of new products/items/ services introduced by Members, Non-Members, Suppliers including Exporters & Importers etc., The products encompass raw materials, parts, components, equipment and systems used in generation, transmission, distribution and utilization of electricity and in industrial complexes, public utilities, process control and instrumentation, industrial electronics, tele communication and software etc. THE NEXT VERSION OF ITMA'S DIRECTORY-2017 WILL BE PUBLISHED AND RELEASED IN THE MONTH OF MARCH 2017 AND AVAILABLE IN CD VERSION ALSO.

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