



पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Limited
सूचना का अधिकार अभिनियम 2005 के अंतर्गत केन्द्रीय लोक सूचना अधिकारी
Central Public Information Officer under the RTI Act, 2005
केन्द्रीय कार्यालय, 'सौदामिनी', प्लॉट नं.2, सैक्टर-29, गुडगांव, हरियाणा-122007
Corporate Centre, 'Saudamini', Plot No. 2, Sector-29, Gurgaon, Haryana-122007



CP/RTI/2017/57

Date: 8th May, 2017

Shri Gangadhar S. Patil,
L, 66., First Floor,
Sector-11, 9th B Main,
HAL, 3rd Stage,
Bangalore – 560 075

Sub: Information under Right to Information Act, 2005.

Dear Sir,

This has reference to your online RTI request on 4th May, 2017, seeking information under RTI Act, 2005.

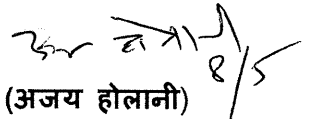
The information sought is attached as **Annexure-I**.

First Appeal, if any, against the reply of CPIO may be made to the first appellate Authority within 30 days of the receipt of the reply of CPIO. Details of Appellate Authority at Corporate Centre, Gurgaon, under RTI Act, 2005 is as below:

Shri Ashwani Jain
Executive Director (CMG) & Appellate Authority
Corporate Centre, Power Grid Corporation of India Limited
"Saudamini", Plot No. 2, Sector-29, Gurgaon – 122007, Haryana.
Email ID: aj@powergridindia.com
Phone No. 0124-2571962

Thanking you,

भवदीय,


(अजय होलानी)

अपर महाप्रबंधक (के.आ.) एवं के.लो.सू.अधिकारी

Email ID: cpio.cc@powergrid.co.in

Encl: As above

ANNEX-I

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड
(भारत सरकार का उद्यम)
POWER GRID CORPORATION OF INDIA LIMITED
(A Government of India Enterprise) पावरग्रिड



केन्द्रीय कार्यालय: "सौदामिनी" प्लॉट सं. 2, सेक्टर-29, गुडगाँव-122 001, (हरियाणा) दूरभाष: 0124-2571700-719, फैक्स : 0124-2571762,
"Saudamini" Plot No. 2, Sector-29, Gurgaon-122 001, (Haryana) Tel. : 0124-2571700-719, Fax : 0124-2571762, Web.: www.powergridindia.com

CIN : L40101DL1989GOI038121

C/CP/1000/16-17/08/IEEMA/MoP

26 Aug 2016

Shri Sanjeev Jain,
Under Secretary (PG desk),
Ministry of Power,
Shram Shakti Bhawan,
Rafi Marg, New Delhi-110001.

Sub: POWERGRID Report/Inputs on the issues raised by delegation of Indian Electrical & Electronics Manufacturers Association (IEEMA) with Hon'ble MoS(I/c) for Power, Coal, New & Renewable Energy and Mines.

Dear Sir,

This has reference to information desired by OSD to Hon'ble MoS(I/c) for Power, Coal, New & Renewable Energy and Mines on the issues raised by delegation of IEEMA (attached as Annex-I).

In this regard advance information on the point no. 1, i.e. "Domestic Manufactures at disadvantage in KfW funded project of Green Energy Corridor" has already been forwarded to office of JS(MoP) vide our Email dated 22 Aug 2016.

The comments of POWERGRID on both the points (as Annex-II) are attached for ready reference and kind perusal please.

Thanking you,

Yours faithfully,

(K. Nagraj Bhat)
DGM (CP)

Annex-I

Office of Hon'ble Minister of State (IC) for Power, Coal,
New & Renewable Energy and Mines

In the meeting of Hon'ble Minister of State (IC) with delegation of Indian Electrical & Electronics Manufacturers' Association (IEEMA) held on 18-08-16, the association has raised the following issues:

1. Domestic Manufacturers at disadvantage in KIW funded project of Green Corridor.
 - Deemed exports benefits are not extended to domestic manufacturers.
 - Chinese product imported under Chapter 98 with 5% duty.
 - Domestic manufacturers to quote in Indian Rupee. Hedging cost are high rendering domestic offers uncompetitive.
2. Unavailability of Type Testing Facility - *CPRI*
 - CPRI is not adequately equipped to cater to Testing demands.
 - Conductor producers spend almost a crore per project on testing.
 - Upgrade CPRI or any other facility at par with global standards.
 - Imported equipment to be mandatorily tested in CPRI or Indian lab.

It is requested that a report on the above points may kindly be provided to this office for kind perusal of Hon'ble Minister.

Amitabh Prasad
19/8/2016
(Amitabh Prasad)
OSD to Hon'ble MoS (IC)
19-8-16

Jt. Secretary (JA) please.
Ministry of Power

✓ CMD, PGCIL please.

D.O. No. *18/8/16*

Annex-II

POWERGRID PONT WISE COMMENTS ON THE ISSUES RAISED BY IEEMA DELEGATION

Point 1 DOMESTIC MANUFACTURERS AT DISADVANTAGE IN KfW FUNDED PROJECT OF GREEN CORRIDOR.

Sl no:	Issues	Comments
1	Domestic manufacturer at dis-advantage in KfW funded project of Green Corridor	
a	Deemed export benefits are not extended to domestic manufacturers	<p>Deemed export benefits as per the Foreign Trade Policy (FTP) (<i>the relevant extracts from the <u>FTP 2015-2020</u> attached in the earlier reply dated 10 Dec 2015</i>)) are admissible in the projects funded by Multilateral Funding/Bilateral Funding agencies, notified by Department of Economic Affairs (DEA), Ministry of Finance. Further, the conditions of the same inter-alia include procurement to be done under International competitive Bidding and tender evaluation without customs duty as per the guidelines of the funding agency.</p> <p>The KfW Procurement guidelines require tender evaluation considering import duty and taxes and consequently the evaluation of bids under subject procurement is based on the prices including all taxes & duties including customs duty. Besides, kfW is not included in the list of agencies notified by DEA. As such, in case of KfW funded procurement Deemed Export benefits are not admissible.</p>
b	Chinese product imported under Chapter 98 with 5% duty.	<p>5% Import duty against import under chapter 98 (Project Imports) is only the rate of basic duty. However, the total import duty paid by POWERGRID works out to 23.4155% on prices quoted by the Foreign bidder. For prices quoted by Domestic bidders, Excise Duty @12.5% and CST@2%/VAT as applicable, is considered for bid evaluation.</p>

Sl no:	Issues	Comments
c	Domestic manufacturers to quote in Indian Rupee. Hedging cost are high rendering domestic offers uncompetitive.	All the bidders including domestic bidders are free to quote in a maximum of 3 freely convertible currencies and the payment to the contractor are made in Bid currency.

Point 2 UNAVAILABILITY OF TYPE TEST FACILITY

2.	Unavailability of Type Testing Facility	
	CPRI is not adequately equipped to cater to Testing demands	<p>POWERGRID specifies type tests on conventional ACSR conductors for which CPRI has the facility for conducting such tests upto 765 kV HVAC and 800 kV HVDC line.</p> <p>Regarding testing facilities of HTLS (High Temp. Low Sag) conductors (which are being used in specific projects in small quantities), presently all the tests cannot be carried out in CPRI /any Indian lab. However considering that the manufacturing facilities for such conductors in India are in a nascent stage, the development of all the testing facilities is expected to evolve as and when full-fledged manufacturing by a number of manufacturers picks up in India.</p>
	Conductor producers spends almost a crore per project on testing	<p>As per the earlier technical specification of POWERGRID, types testing of conductors were required once in every project. The specifications have since been revised and type tests once conducted is valid for 3 years for the type of conductor and for the stranding machine. The revised specifications are now a part of the bidding documents for tenders floated and for contracts in the pre-award stage. Thus, the expenditure on type tests has been substantially reduced.</p> <p>Further, acceptance tests and routine tests are regularly conducted in the laboratory of the factory itself.</p>

		As such, the high costs of conducting tests on conductors are reasonably reduced for POWERGRID projects.
	Upgrade CPRI or any other facility at par with global standard	The 2 national level laboratories- CPRI & National Test House are under the Ministry of Power & Ministry of Commerce respectively. Up gradation, if required needs to be taken up at an appropriate level.
	Imported equipments to be mandatorily tested in CPRI or Indian lab	<p>As per POWERGRID specifications Imported equipment's are to be tested either in accredited laboratory (accredited based on ISO/IEC vide 25/17025 or EN 45001 by the National accreditation body of the country where laboratory is located) or witnessed by the representative(s) of POWERGRID or utility.</p> <p>Mandatory testing of equipment's manufactured out of India and imported, in an Indian lab may not be a techno –economically feasible proposal considering huge logistical as well as time consumption factors in making such arrangements.</p> <p>Moreover, all the testing facilities for the high tech and high value items may not be available in CPRI/ any Indian lab.</p>