

**Minutes of the 16th meeting of the Standing Committee under DMI&SP Policy, held on 02<sup>nd</sup> February, 2022 at 05:30 P.M. through video conferencing under the Chairmanship of Shri Sanjay Singh, Secretary, Ministry of Steel**

1. List of Officers who attended the meeting is enclosed as **Annexure –I**.
2. At the outset, Chairman of the Standing Committee welcomed the participants to the 16<sup>th</sup> Meeting of the Standing Committee. Director, M/o Steel made a brief presentation on the issues.

1. **Oil India Limited (OIL)**

**Request for following items has been withdrawn by OIL in the grievance committee meeting:**

- i. **Drill Pipe (5 inch OD Grade G-105, S-135 and 2.7/8 inch OD Grade S-135), Weight: 643.26 MT**

OIL stated that JSL has successfully completed the trial for 2.7/8” OD S-135 drill pipe. Further, 5” G-105 and 5” S-135 have been successfully tested at ONGC. In view of this developments OIL has withdrawn the request for exemption for these items.

- ii. **Premium Threaded Casing and Accessories (5.1/2 Grade N 80 and P110), Weight: 5,972.23 MT**

OIL stated that they have amended the specification of the premium connection of this item. M/s JSL has already supplied higher size of the item to ONGC. Therefore, JSL is eligible to bid for the item. In view of this, OIL stated that they would like to withdraw the request for exemption for this item.

**Recommendation of Grievance Committee:**

In view of the successful development of the items and withdrawal of request of exemption from OIL, Grievance committee decided to drop the item from consideration.

**Decision:**

Standing Committee agreed to the request for withdrawal of exemption by OIL.

**2. Procurement of Wire line Retrievable Gas Lift Equipments**

**Background**

- ONGC had floated tender No. ZNEPC21001 dated 07.05.2021 through ICB for procurement of Wireline Retrievable Gas Lift Equipment. Development order has been placed for these items by ONGC on UDT in 2018. The material was manufactured and supplied by UDT to ONGC after due inspection.
- ONGC has issued Field Performance Report for 1.5” and 1” WGLVs. ONGC has found leakage in 1” WGLVs however 1.5” WGLVs performance is satisfactory but due to the defect observed in the 1” valve, ONGC has rejected both the items. ONGC has also stated that trial testing is still continuing for 1.5” WGLV.

**Recommendation of Grievance Committee:**

ONGC has been requested to complete the trial of 1.5” WGLV at the earliest and prepare the final performance testing report for taking a considered view

**Discussion:**

ONGC mentioned that during the initial testing 1” valve was rejected due to leakage. Testing of 1.5” valve was completed recently and the same has also failed in the trial. UDTL stated that they have received the report regarding failure of 1.5” valve from ONGC. UDTL further mentioned that the testing was not conducted in the presence of their representative and also they have already supplied similar product to foreign companies. ONGC stated that they have not received any experience certificate from UDTL and also no details are available whether the items supplied by UDTL have been used in actual operation or not.

## **Decision:**

Standing Committee recommended that ONGC to provide their testing report to UDTL and Ministry of Steel. UDTL should also provide the independent agency testing report of their product to ONGC and Ministry of Steel.

### **3. Procurement of Heavy Weight Drill Pipe (5 inch and 4.1/2 inch) Weight: 190.92 MT**

## **Background**

- OIL has informed that this item is being procured through ICB only. Earlier they were sourcing this product from domestic manufacturer M/s OCTL, Hyderabad but due to insolvency of OCTL they are not able to procure domestically.
- Domestic manufacturers JSL & MSL have confirmed that they do not have licence to manufacture this item.

## **Recommendation of Grievance Committee**

Grievance Committee observed that no domestic manufacturer is available for supply of this item post insolvency of M/s OCTL. In view of this, Grievance Committee recommended to grant exemption for the procurement of this product. Grievance Committee also advised M/s JSL & M/s MSL to develop this item at the earliest especially in view of the fact the product was being manufactured domestically.

## **Discussion:**

During the discussion, Secretary (Steel) asked the time line for development of this product, JSL has informed that they are on initial stage of setting up a different plant for producing of these items and it will take around 3-4 months for detailed examination of demand and supply situation. MSL stated that they are in the process of acquiring OCTL who has the capacity to manufacture this item, but it is likely to take 3-4 months time as the matter is under NCLT. Further it would take another 3-4 months to make the plant operational. OIL was requested to work out bare minimum requirement of the item. Subsequently, OIL has critically reviewed the requirement and reduced the quantity as below:

<b>Item Description</b>	<b>Original Quantity (Joints)</b>	<b>Revised Quantity (Joints)</b>
5 Inches Heavy Weight Drill Pipe	249	200
4.1/2 Inches Heavy Weight Drill Pipe	20	20

### **Decision:**

Standing Committee recommended granting one-time exemption to OIL for procurement of these items as per the reduced requirement.

4. **Procurement of 13 Chrome Tubing 2-7/8" OD L-80 and accessories qty 1100 MT**

### **Background**

- ONGC had floated ICB tender no. ZNTLC19003 on 25.11.2019 for this item. No domestic bidders had participated in the tender. ONGC had informed that Domestic manufacturer do not have authorization to cut premium threads for 2.7/8" OD tubing size. ONGC has informed that the domestic manufacturer will be required to have license/authorisation to cut any of the acceptable premium connections for 2-7/8 " OD size to get the development order.
- JSL & MSL confirmed that they do not have licence to cut premium connection for 2.7/8" OD size.
- The material against development order of OIL for 2.7/8" OD 13 Cr tubing is yet to supplied by JSL and it will take some more time for installation, testing and trial.

### **Recommendation of Grievance Committee**

The Grievance Committee noted that the material against development order for 2.7/8" OD 13 Cr tubing is yet to supplied by JSL and it will take some more time for installation, testing and trial. In view of the above, Grievance Committee recommended to grant one-time exemption to ONGC for this item.

The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

### **Discussion:**

ONGC has stated that Hunting threading for which JSL has the licence is not approved by them as it is not API compliant. JSL stated that if ONGC has approved the higher size of threading i.e. 3.1/2" with hunting connection then they should also approve lower size i.e. 2.7/8" OD.

### **Decision:**

Standing Committee recommended that Director General, Hydrocarbon the Oil Sector regulator may be approached by ONGC for obtaining its views whether 2.7/8" OD tubing size can be approved by ONGC in case where higher size is already accepted.

## **5. Procurement of Premium Tubing 2-7/8" OD P-110, 4-1/2" OD L-80 & 5-1/2" OD L-80 premium Tubing and Accessories (qty 1000 MT)**

### **Background**

- ONGC has stated that the present requirement is for three sizes i.e. 2-7/8", 4-1/2" & 5-1/2" OD Premium tubing. The license/authorisation to cut acceptable premium connections is not available with indigenous manufacturer for tubing sizes 2-7/8" & 5-1/2" OD. No development order has been sought for these items by the domestic manufacturers.
- ONGC has informed that JSL has authorization to cut premium thread for 4.1/2" OD tubing size but ONGC cannot placed order for this item on JSL as item supplied by JSL against developmental order for 3-1/2" OD 13 Cr tubing has failed.

### **Recommendation of Grievance Committee**

Grievance Committee recommended for one-time exemption for the procurement of Premium Tubing 2-7/8" OD P-110, 4-1/2" OD L-80 & 5-1/2" OD L-80 premium Tubing and Accessories.

## **Discussion:**

ONGC informed that 3-1/2" OD 13 Cr tubing supplied by JSL have been tested in another well and the performance has been found satisfactory. At the time of previous Grievance Committee meeting the second trial was not done hence ONGC had requested for exemption of this item. ONGC further stated that, since JSL is now approved for 3-1/2" OD 13 Cr tubing, therefore if JSL has the experience of supply of 4-1/2" OD L-80 tubing then they can drop this item from exemption. With regard to 2-7/8" OD P-110 and 5-1/2" OD L-80, domestic manufacturers do not have licence to cut the premium threading. JSL stated that, they do not have experience to supply 4-1/2" OD L-80 and 5-1/2" OD L-80 premium tubing yet. JSL mentioned that they have applied for development order against recent EoI floated by ONGC. ONGC informed that they will place the development order on JSL for both these items as soon as possible.

## **Decision:**

Standing Committee recommended granting one-time exemption to ONGC for procurement of 4-1/2" OD L-80 & 5-1/2" OD L-80 premium tubing and accessories. Regarding 2-7/8" OD P-110 Standing Committee recommended that Director General, Hydrocarbon the Oil Sector regulator may be approached by ONGC for obtaining its views whether 2.7/8" OD tubing size can be approved by ONGC in case where higher size is already accepted.

- 6. Premium Casing 9-5/8" OD Q-125, 7" OD Q-125, 5-1/2" OD P-110, 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint) & accessories qty 8061 MT**

## **Background**

- ONGC invited ICB Tender No. ZNCLC20001 for procurement of these Premium Casings along with accessories on 13.02.2020. No domestic bidder participated in this tender.
- Present requirement is of 9-5/8" OD Q-125, 7" OD Q-125, 5-1/2" OD P-110, 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint) Premium Casings for which the license/authorisation to cut any of the acceptable premium connections is not available with indigenous manufacturers.

- ONGC has placed development order for 13-3/8" OD, Q-125, 72 ppf BTC Casing pipe on M/s JSL with delivery by 15<sup>th</sup> Oct 2021. Besides M/s JSL, no other domestic manufacturers have authorisation/ license to cut any of the approved premium threads for 9-5/8" & 7" OD Casing sizes.

### **Recommendation of Grievance Committee**

Grievance Committee recommended to grant exemption for the procurement of Premium Casing 9-5/8" OD Q-125, 7" OD Q-125, 5-1/2" OD P-110, 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint) & accessories.

### **Discussion:**

ONGC stated that JSL has been given development order for higher size i.e. 13.3/8" OD Q-125. The material is already supplied by JSL and same would be tested by ONGC by March 2022. Therefore, ONGC would like to reduce the quantity to 50% in anticipation that JSL would successfully complete the trial. With regard to 5-1/2" OD P-110 JSL & MSL do not have authorization to cut the thread. For 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint), it was mentioned that domestic manufacturers do not have capacity to manufacture flush joints. JSL stated that they do not have facility to manufacture flush joints and they are considering for development/ study of the market and will take decision. Committee also suggested JSL to consider for Joint Venture.

### **Decision:**

Standing Committee recommended granting one-time exemption to ONGC for procurement of Premium Casing 9-5/8" OD Q-125, 7" OD Q-125 for the 50% quantity. Committee also recommended for grant of one-time exemption to ONGC for procurement of 5-1/2" OD P-110, 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint)

## **7. Drill Collars of various sizes**

### **Background**

- ONGC has floated GeM tender no. GEM/2021/B/1184809 dated 29.04.2021. No domestic bidder participated in the tender. ONGC has informed that No domestic manufacturer is available for this item.

- JSL and MSL stated that they are not manufacturing this product.

### **Recommendation of Grievance Committee**

Grievance Committee recommended to grant one-time exemption to ONGC for procurement of Drill collars of various sizes.

### **Discussion:**

ONGC has informed to committee that No domestic manufacturer is available for this item and request JSL and MSL to develop this item. JSL has stated that this item is not covered under their pipe manufacturing business and also not suited for their existing facilities. ONGC & OIL has the requirement of this product and they have called Expression of Interest (EOI). However, no company came forward. OCTL, which is now under NCLT was the only manufacturer of this item.

### **Decision:**

Standing Committee directed MECON to explore the possibility whether this item could be procured from OCTL.

The meeting ended with the vote of thanks to the chair.

\*\*\*\*\*

## **Annexure- I**

**List of attendees in the 16<sup>th</sup> Standing Committee under DMI&SP Policy, held on 02<sup>nd</sup> February, 2022 at 5.30 P.M. through video conferencing under the Chairpersonship of Shri Sanjay Kumar Singh, Secretary (Steel), Ministry of Steel.**

### **Members of Standing Committee**

1. Shri Sanjay Singh, Secretary (Steel) – Chairman
2. Smt. Rasika Chaube, Additional Secretary, M/o Steel
3. Smt. Sukriti Likhi, AS&FA, M/o Steel
4. Shri Salil Kumar, Director (Project) and Acting CMD, MECON Ltd.
5. Shri Devidatta Satapathy, Deputy Secretary, M/o Steel

### **Ministry of Steel**

6. Shri Neeraj Agrawal, Director, M/o Steel
7. Shri Parmjeet Singh, Addl.IA, M/o Steel

### **Representatives from organizations/ Associations**

8. Shri Arun Kumar Agrawal, Director, MECON
9. Smt. Anita Dam, GM, OIL
10. Shri Sanjiv Dheer, Head (Mktg), Jindal Saw Limited
11. Shri Ambika Tripathi, ED, ONGC
12. Shri M. K. Agarwal, GM, ONGC
13. Shri Vikash kalra ,GM, UDTL
14. Shri Jyoti Singh, Sr. Manager, UDTL
15. Shri Avnish Kumar, GM, Jindal Saw Limited
16. Shri Shiv Kumar Singhal, President, Maharashtra Seamless Limited
17. Shri Hemant Matreja, DGM, Maharashtra Seamless Limited

\*\*\*\*\*