

Minutes of the 14th meeting of the Standing Committee under DMI&SP Policy, held on 14/05/2021 at 15:30 hrs through video conferencing under the Chairpersonship of Smt. Rasika Chaube, Additional Secretary, Ministry of Steel

1. List of Officers who attended the meeting is enclosed as Annexure –I.
2. At the outset, Additional Secretary (Steel) welcomed all the participants to the 14th Meeting of the Standing Committee. Director, Ministry of Steel made a brief presentation highlighting the issues raised by M/s Rail Vikas Nigam Limited (RVNL).
3. It was noted that, as per the GFR amendment in rule 161(iv) dated 15.05.2020, no global tender enquiry shall be invited for tenders upto Rs 200 cr without prior approval from the competent authority.

Issues raised by M/s Rail Vikas Nigam Limited (RVNL)

Background:

4. RVNL is implementing 64 KM of Metro Corridors in Kolkata. A proposal was initiated in December 2018 for the procurement of 11800 MT of 60 Kg 110 UTS HH rails.
5. After due deliberations, Ministry of Steel had granted exemption to RVNL for the procurement of 6700 MT of 1080 grade HH rails for Kolkata Metro Rail project on 01st October, 2019.
6. RVNL has now requested for grant of exemption for procurement of remaining 5000 MT (revised) 1080 grade HH rails since the additional quantity of 5000 MT cannot be met by domestic suppliers as SAIL is not producing these rails and other domestic manufacturer, JSPL has already been given development order. RVNL stated that the requirement of the mentioned rail for 5000 MT is immediate for the Metro Project being implemented by RVNL and Metro Railway (2800 MT is for RVNL and the remaining balance is for Metro Railway). It is only a one-time measure for a small quantity. The material will be utilized within the next 1.5 - 2 years from the date of arrival at Kolkata.
7. RVNL further informed that the manufacture of the 6700 MT of rails for which exemption was granted has been completed by the company at their plant at Russia; consignment was dispatched from Russia in January, 2021 and the lot has been received in February, 2021. The import of rails for the previous approval had taken extra time due to delay in inspection for process approval as the clearances got affected due to COVID-19. A third party was nominated with the approval of Railways and RDSO and after detailed scrutiny and examination, the process approval was received. Now, for the future 5000 MT rails, no tender is required to be floated, no process approval is required, only the order is required to be placed for rolling.

8. Regarding the GFR amendment in rule 161(iv) dated 15.05.2020 on global tender enquiry, RVNL stated that the requisite 5000 MT HH rails is the balance part of exemption granted on 01.10.2019. The tender for 11800 MT HH rails was floated before the release of amendment in GFR Rules by Department of Expenditure, Ministry of Finance on 15.05.2020. Furthermore, Department of Expenditure has recently relaxed the Rule no 161 (iv) of GFR, 2017 on 12.03.2021 wherein it is stated that instruction dated 15.05.2020 will not be applicable in following cases:

(a) Where procuring entities need to issue GTEs to fulfil contractual commitments/ obligations entered by them before 15.05.2020 i.e. bid has been submitted by them to their clients before 15.05.2020.

(b) Where procuring entities need to issue GTEs in view of existing collaboration agreements entered by them with foreign suppliers before 15.05.2020

Recommendation of the Grievance Committee:

9. Grievance Committee opined that since tender was floated before the release of amendment in GFR Rules on 15.05.2020 and Ministry of Steel had granted the waiver on 01.10.2019 for 6700 MT out of the total requirement of 11800 MT HH rails. Therefore, RVNL exemption may be granted to RVNL for the procurement of 5000 MT 1080 HH rails. The Grievance Committee decided to place the matter before Standing Committee for final decision.

Discussion:

10. SAIL stated that it is in the process of manufacturing 1080 grade HH rails. However, due to COVID-19, the foreign experts who were involved with the commissioning of Head Hardened facility at URM of Bhilai Steel plant have left the country in April 2021. Once the situation normalises, SAIL will start manufacturing the 1080 grade HH rails and supply it to RDSO for process approval and capacity assessment. SAIL is currently not in a position to supply 1080 grade HH rails.

11. JSPL stated that it is a developmental vendor. It has already been given the developmental order. RVNL mentioned that the rails supplied by JSPL will be commissioned in November 2021 and it will be on trial run for 1-2 years after which JSPL will be considered for regular vendorship by RDSO.

12. AS (Steel) emphasized the need to have a firm/definite timelines by RDSO for process approvals and capacity assessments of domestic manufacturers including SAIL and JSPL so that they are able to supply these rails in future procurements. OSD and Chief Engineer (Railways), M/o Steel was requested to take up the matter with the Ministry of Railways and RDSO in this regard.

13. The Standing Committee took note of the fact that the project was of strategic importance for which exemption for 6700 MT had been granted in 2019. Though there was delay in supply of these exempted quantity of rails however the current

requirement of 5000MT rails will not meet the same fate in the light of what was clarified by RVNL and is recorded at para 6 of these minutes.

Decision:

14. The Standing Committee decided to recommend the grant of one-time exemption for procurement of 5000 MT 1080 HH rails as there is no approved domestic manufacturer available for this item at present nor is expected to be there till the delivery of these rails .

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

**List of the officers who attended the 14th Standing Committee meeting on
14.05.2021 at 15:30 hrs through VC**

Members of Standing Committee:

1. Smt. Rasika Chaube, Additional Secretary, M/o Steel (In Chair)
2. Shri Shashank Priya, AS&FA (I/C), M/o Steel
3. Shri Atul Bhatt, CMD, MECON Ltd.
4. Dr. T. Mukherji, Technical Expert
5. Shri Vinod Bahade, Director, M/o Steel
6. Shri Parmjeet Singh, Addl. Industrial Adviser, M/o Steel

Ministry of Steel:

7. Shri Awadhesh Kumar Choudhary, Economic Adviser, M/o Steel
8. Shri Avani Bhushan Gupta, OSD and Chief Engineer (Railways), M/o Steel
9. Shri Arun Kumar Kailoo, Director (Fin.), M/o Steel

Representative of Organizations/Associations:

10. Shri Rajesh Prasad, Director (Operations), RVNL
11. Shri Anirban Dasgupta, Director in-charge (BSP), SAIL
12. Shri Alok Sahay, ED, SAIL
13. Shri Tushar Kant, CGM (CD), SAIL
14. Shri Vijay Kumar Chama, JSPL
15. Shri S.K. Pradhan, JSPL
