

Minutes of the 20th meeting of the Grievance Redressal Committee under DMI&SP Policy, held on 12th June, 2023 at 12:00 Noon through VC under the Chairmanship of Smt Ruchika Chaudhry Govil, Additional Secretary, Ministry of Steel.

1. List of Participants who attended the meeting is enclosed as Annexure –I.
2. At the outset, Chairman of the Grievance Redressal Committee welcomed the participants to the 20th Meeting of the Grievance Redressal Committee. Deputy Secretary, M/o Steel, made a brief presentation on the issues raised by various stakeholders.
3. The following issues were discussed in the meeting:

S.No.	Raised by	Issue
1	ONGC	<ul style="list-style-type: none"> • Procurement of Premium Casing & Accessories <ul style="list-style-type: none"> ○ 16" OD L-80 (BTC) ○ 9-5/8" OD Q-125, 7" OD Q-1125, 5-1/2" OD P-110 • Procurement of 13 Chrome Premium Casing & Accessories <ul style="list-style-type: none"> ○ 9-5/8"L-80, 47 PPF & 7", L-80, 29 PPF
2		<ul style="list-style-type: none"> • Clarification on procurement of hollow drill bars from foreign supplier for Government Procurement
3	MoPNG	<ul style="list-style-type: none"> • General exemption for few years from the provisions of DMI&SP Policy for certain items
4	UDTL	<ul style="list-style-type: none"> • Alleged discrepancy in the tender issues by Cairn Vedanta Ltd

4. ONGC has raised following issues for granting exemption from the provisions of DMI&SP Policy for procurement of these items through Global Tender Enquiry.

i. Procurement of Premium Casing & Accessories:

S. No.	Material Description	Qty.		Estimated Value (in Crores)
		(Km)	(MT)	
1	Premium Casing 16" OD L-80 (BTC)	0.92	116	2.85 Crore

Discussion:

- It was stated that in the 19th Meeting of the Grievance Redressal Committee, held on 29.03.2023, waiver from the provisions of DMI&SP policy was granted

for procurement of 16" OD L-80 Premium casing along with following 3 sizes of premium casing pipe (combined qty: 640 MT):

- 13-3/8" L-80
- 13-3/8" L-80
- 7" P-110
- During the meeting, M/s ONGC clarified that out of combined quantity of premium casing 640 MT, quantity of 16" OD L-80 premium casing pipe is 166 MT and the estimated cost is 2.85 crore.
- ONGC has informed that due to change in well plan the **thread type of 16" OD L-80 has been changed from Premium / BTC**. Thus, an alternative exemption is sought for the aforesaid item.

Industry's View

- M/s JSL informed that the said size is not in their manufacturing scope.
- M/s MSL also informed that they don't have capacity to produce this item. They stated that they can manufacture up to 20" OD but L80 and BTC are not in their manufacturing range.
- M/s ISMT informed that the said item is not into their manufacturing range. While representative of M/s UDTL informed that the length required is not in their manufacturing range.

Recommendation of Grievance Redressal Committee

As there are no domestic manufacturers, Grievance Redressal Committee recommended to grant one-time exemption to M/s ONGC for procurement of 16" OD L-80 (Premium/BTC) and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration along with the 3 other sizes for which the waiver was granted in the 19th Grievance Redressal Committee meeting.

ii. Procurement of Premium Casing & Accessories:

S. No.	Material Description	Qty.		Estimated Value (in Crores)
		Km	MT	
1	Premium Casing 9-5/8", Q-125, 53.5 PPF	48.65	3883	68.25
2	Premium Casing 7", Q-125, 35 PPF	48.02	2509	46.75
3	Premium Casing 5-1/2", P-110, 20 PPF	7.90	236	3.12
Total		105	6628	118

Discussion:

- It was stated that the issue of granting waiver for procurement of these 3 items through GTE was deliberated in the 18th meeting of Standing Committee (held on 20.03.2023) wherein it was decided **not to grant exemption for procurement of Q125 grade items** through GTE and ONGC directed to first

share the field trial testing report of 13- 3/8" OD, Q-125 grade Casing with M/s JSL.

- In the same meeting, one-time exemption was granted for procurement of item mentioned at S.No. 3 i.e., 5-1/2" OD P-110 (Qty: 1630 MT) for the FY 2023-24.
- M/s ONGC has informed that due to increase in work plan additional quantity is required.

Industry's View

- For item mentioned at s.no. 3 i.e., 5-1/2" OD P-110 20 ppf, it was informed that still there is **no domestic manufacturing capability**.
- M/s JSL have informed that the development order for Q125 grade was not accepted by ONGC. Subsequently, M/s JSL has requested for fresh development order as they have the capability to manufacture Q 125 grade.
- M/s ONGC informed that the report was shared with M/s JSL and meeting of technical teams of M/s ONGC and M/s JSL was also held. It was confirmed by ONGC that M/s JSL has applied for fresh development order but it would take time to complete the process, therefore exemption may be granted for procurement of 9-5/8" OD Q-125 and 7" OD Q-125 Q125 to continue its operations.
- M/s ONGC also confirmed that it is the bare minimum quantity required by them for the smooth working of deep-water wells on the east coast and this quantity would be consumed within 6 months of delivery.
- M/s MSL has informed that they are approved to supply the required pipes (9-5/8" Q125 and 7" Q125) and are regularly supplying pipes of same grade in higher diameter. On the issue of premium connection, it was informed that M/s MSL is in advanced stage of finalization of contract to cut the premium connection and requested 20-30 days' time for the same. M/s ONGC has requested that waiver may be granted and if developed M/s MSL may participate in the ICB.
- On issue of competition faced by domestic manufacturers in ICB, AS(RCG) emphasized that role of DMI&SP policy is to support the domestic manufacturers so that eventually domestic companies become competitive even at international level.
- M/s JSL suggested that the pipes may be sourced from M/s MSL and M/s JSL can cut the premium threads and supply to ONGC. As M/s JSL have the premium connection facility available in India and M/s MSL has the grade qualification, thus, the whole product would be available domestically.
- Representatives from both M/s JSL and M/s MSL agreed that such an arrangement can be made. A formal communication in this regard was received in the Ministry on 15.06.2023.
- Further, it was requested by representatives from M/s JSL that their technical team may allowed to be present at the site during the field trial test. M/s ONGC informed that they need to check with their technical team as to where the item would be used.

Recommendation of Grievance Redressal Committee

- As there are no domestic manufacturers yet, Grievance Redressal Committee **recommended to grant one-time exemption to M/s ONGC for procurement of these items and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration**. Also, it was directed

that the fresh development order is to be placed by end of July 2023 and by December 2023 both parties should agree on the field trial report.

- Further, on the issue of M/s JSL and M/s MSL joining hands to manufacture the product domestically, Grievance Redressal Committee **suggested that such relationships ought to be forged beforehand. As this is only a one-time waiver and M/s JSL & M/s MSL must work out their business relationship in the meantime.**

iii. **Procurement of 13 Chrome Premium Casing & Accessories:**

S. No.	Material Description	Qty.		Estimated Value (in Crores)
		Km	MT	
1	Premium Casing 9-5/8", 13 Cr, L-80, 47 PPF	25.78	1806	96.31
2	Premium Casing 7", 13 Cr, L-80, 29 PPF	1.26	54	3.65
Total		27	1860	100

Discussion:

- M/s ONGC informed that due to increase in work plan the overall requirement of for these items has increased to 4020 MT (2160MT + 1860 MT). For 2160 MT, waiver from provisions of DMI&SP Policy for the year 2023-24 was granted in the 18th Meeting of the Standing Committee (held on 20.03.2023).
- During discussions, M/s ONGC informed that 1860 MT of additional quantity is still required to ensure smooth operations.
- Further, as directed by the 18th Standing Committee, M/s ONGC and M/s JSL had to analyze the root cause of the failure of the development order. M/s JSL has informed that matter was discussed with M/s ONGC and a redevelopment order has been requested.

Industry's View

- M/s JSL has informed that as of now they are not a developed source.
- M/s MSL also confirmed that the product is outside their manufacturing range.

Recommendation of Grievance Redressal Committee

As there are no domestic manufacturers, Grievance Redressal Committee **recommended to grant one-time exemption to M/s ONGC for procurement of additional quantity of above two items and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.** It was also directed that the development order may be placed by end of July 2023 and the whole process be completed by end of November 2023.

5. M/s ONGC has sought clarification whether import of hollow drill bars from China to manufacture Drill Collars be considered as finished product in compliance with DMI&SP Policy.

Discussion

- It was informed that M/s ONGC had floated a GeM tender no GEM/2022/B/2083030 for procurement of Drill Collars (571 Nos; Rs 26.92 Crore) and order was placed on M/s Parveen Industries on 27.09.2022. Further, an order of additional quantity of 91 drill collars was placed on M/s Parveen on 24.03.2023.
- M/s Parveen Industries has informed that hollow drill bars (HSN Code 7228) were imported from China to manufacture Drill Collars (HSN Code 8431) as the same were not available domestically. M/s Parveen Industries has stated that they had registered on the SIMS portal and received approval for import on 20.01.2023. However, it is clarified that mere registration on the SIMS portal is not the approval of Ministry of Steel to import such items under DMI&SP Policy.
- It is also stated that 35% value addition was carried out by M/s Parveen Industries and the product was inspected and accepted from Third Party Inspection (TPI) approved by ONGC.
- MECON has also informed that if material of construction for manufacturing hollow drill bars is not manufactured in India, then waiver need to be taken from standing committee under DMI&SP policy for import of the same.
 - Clause 5.1.2 of the DMI&SP Policy clearly mandates that iron & steel products mentioned in Appendix A are to be exclusively domestically manufactured and cannot be imported without the approval of the Ministry of Steel
- M/s Parveen Industries has not approached this Ministry seeking exemption for the import of Hollow drill bars.

Industry's View

- M/s JSL and M/s MSL have informed that this product is not in their manufacturing range.
- M/s ISMT has informed that they are not capable for manufacturing 8" OD and 6-1/2" OD sizes. For the remaining sizes, M/s ISMT have capability to make them but the length required is not available with them. Therefore, there is constraint of length.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee **recommended that ex-post facto approval may be given to M/s Parveen Industries to import hollow drill bars from China for both the orders.** It was further stated that the approval was given strictly on non-availability of the product domestically and to hand hold the industry in this specific extraordinary case. This is to considered as a one-time exemption only and shall not constitute precedent in future. It is also clarified that **mere registration on SIMS portal shall not be constituted as approval of Ministry for importing items covered under DMI&SP policy. The recommendation of Grievance Redressal committee will be deliberated by Standing Committee under DMI&SP.**

6. Secretary (MoPNG) has requested for general exemption for few years for some products used in oil and gas sector stating that these items are less attractive

for domestic manufacturers as they are specialized & technologically intensive and there is small domestic demand for them. It was informed that considering the sector specific requirements of these items Department of Expenditure has already granted general relaxation for floating GTE for tenders up to Rs 200 Crore with the approval of Secretary, MoPNG for critical and recurring items.

Recommendation of Grievance Committee

Exemption sought by MoPNG for the Items were segregated in three categories namely (a) not produced domestically, (b) produced domestically but licensing issue and (c) domestically manufactured. The Grievance Redressal Committee is of the view that omnibus exemptions are not in the spirit of DMISP Policy **and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration**

7. Due to paucity of time the issues raised by M/s UDTL couldn't be deliberated in this meeting. It shall be taken up in the next meeting.

8. The meeting ended with a vote of thanks to the Chair.

List of Participants in the 20th meeting of the Grievance Redressal Committee under DMI&SP Policy, held on 12th, June, 2023 at 12:00 noon through VC under the Chairmanship of Smt Ruchika Chaudhry Govil, Additional Secretary, Ministry of Steel

1. Smt. Ruchika Chaudhry Govil, Additional Secretary, M/o Steel - Chairman
2. Shri Parmjeet Singh, AIA, M/o Steel
3. Shri Devidatta Satapathy, Director, M/o Steel
4. Shri Kumud Ranjan, Sr. GM, (Metallurgy Wing), MECON Ltd
5. Shri G. Sarathy Raja, Deputy Secretary, M/o Steel

6. Shri Santanu Dhar, US, MoPNG
7. Shri JP Singh, DGH

8. Shri Sandip Gupta, ED (MM), ONGC
9. Shri M. K. Agrawal, CGM (Production), M/s ONGC
10. Shri Neeraj Mathur, EIL
11. Shri Sanjiv Dheer, Head Global Mktg., M/s Jindal Saw Ltd.
12. Shri Avnish Kumar, M/s Jindal Saw Ltd
13. Shri Shivkumar Singhal, M/s Jindal Saw Ltd
14. Shri Hemant Matreja, M/s Maharashtra Seamless Limited
15. Shri Prabhat, M/s Parveen Industries
16. Shri Rakesh, M/s Parveen Industries
17. Shri Anjani Agarwal
18. Shri Kalyan Deshpande, M/s ISMT
19. Shri Kanal Gupta, MD, M/s UDTL
