

Minutes of the 16th meeting of the Grievance Committee under DMI&SP Policy, held on 16th June, 2021 at 03:30 P.M. 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, Chairperson of the Grievance Committee welcomed the participants to the 16th Meeting of the Grievance Committee. Director, M/o Steel made a brief presentation about issues.
3. **SAIL: Procurement of Backup Roll / Work Roll**

- a. SAIL has submitted proposal for seeking exemption for procurement of four types of Work/Backup Rolls weighing over 25 Tonnes per piece. SAIL (RSP) has issued EoIs to explore indigenous vendors but no offers have been received. Further, Open Tender Enquiry was issued on 19.01.2021 and 20.01.2021, but again no response was received against the open Tenders. Details of the items for which exemption is sought are as follows:

Case No.	Roll Type	Mill	Weight Per Piece (In MT)	Qty Required (In No.s)	Approx. Value (Rs in Crores) Basis LPP*
1	Backup Roll	Hot Strip Mill (HSM)	27.500	2	1.6
2	Work Roll	New Plate Mill (NPM)	48.945	14	20.6
3	Work Roll	Old Plate Mill (PM)	28.275	24	10.4
4	Backup Roll	Cold Rolling Mill (CRM)	25.500	2	1.3
Total				42	33.9

- b. Further, SAIL has stated that there is no manufacturer in India for Work/Backup Rolls weighing over 25 Tonnes. These items are critical Rolls for Rourkela Steel Plant, SAIL and delay in availability is likely to affect production.
- c. SAIL has requested to accord exemption under DMI&SP Policy to float Global Tender for these items. Since the estimated cost of these items is below 200 crores, approval of Secretary (Coordination), Cabinet Secretariate will be required in this case.
- d. Chairperson Grievance Committee requested domestic manufactures whether they are able to make requisite rolls. M/s JSL, MSL stated that they are not able to manufactures these rolls.
- e. CMD, MECON stated that these requirements may be checked up with Bharat Forge Limited, they might be making these rolls.

- f. Director, SAIL informed that in India only upto 15 tons rolls are being manufactured. None of the company is making rolls of 25 tons. SAIL also informed that every year they float the trial/developmental order but no one has approached them for the developmental order.
- g. Technical Expert, Grievance Committee also stated that these capacity rolls are not being manufactured in the country at present, Even Tata Steel is importing. We need to develop the capacity and capability domestically.
- h. Chairperson, Grievance Committee asked CMD, MECON to prepare a status report and future roadmap for development of these rolls domestically.
- i. **Since requisite backup/work rolls are not being manufactured domestically, the Grievance Committee recommended grant of exemption to SAIL for the procurement of above items. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy and take its approval.**

4. SAIL: Procurement of Electric Driven Exhauster

- a. SAIL has also submitted proposal for exemption for procurement of Electric Driven Exhauster for Coke Oven / Coal Chemical Plant. SAIL has stated that Durgapur Steel Plant had issued Domestic tender enquiry which was published in SAIL tender website to identify parties who could supply the item and no offers could be received against it despite extending the tender twice. CMD, MECON stated that they are also importing this item for the Coke oven projects.
- b. This item is not explicitly mentioned in the List of Capital goods (Appendix B of DMI&SP) however since the list is not exhaustive, it can be covered under DMI&SP. MECON confirmed the same.
- c. **Grievance Committee observed that no domestic manufacturer has come forward to bid for the tender of this item issued by SAIL. In view of this, Grievance Committee recommended for the grant of exemption for the procurement of Electric Driven Exhauster to SAIL. The Grievance Committee decided to place same before the Standing Committee under DMI&SP Policy for consideration and approval.**

5. Oil India Limited: Procurement of 2.7/8" ID L-80 Premium Connection Vacuum Insulated Tubing (VIT) with cross-over

- a. OIL has floated two tenders for the procurements of 2.7/8" ID L-80 Premium Connection Vacuum Insulated Tubing (VIT) with cross-over. They have floated first e-tender No. SJG4251P21 dated 04.05.2020 through ICB for procurement of 4,600 meters of 2.7/8" ID L-80 Premium Connection Vacuum Insulated Tubing (VIT) with cross-over. The total estimated procurement cost is approx. Rs 5.5 crores. Delivery period will be around 6 months and item will be utilized within 1 year after receipt. These items are required for Baghewala oil field. Current available stock is critical.
- b. Two bidders viz. M/s TMK Middle East FZCO, Dubai and M/s Nakasawa Mining & Energy Ltd. USA have submitted their bids. No domestic bidder participated in this tender. Known prospective manufacturers M/s JSL & M/s MSL have also not participated in the tender despite advance intimation by OIL. M/s JSL & M/s MSL have replied stating their inability to supply these items. OIL has therefore requested for granting exemption under DMI&SP Policy and approval to award the contract. OIL also informed that Dept. of

Expenditure vide OM no. F.20/43/2020-PPD dated 21.12.2020 has granted general relaxation to Oil & Gas sector PSUs for two years (w.e.f. 21.12.2020) for the procurement of certain items through GTE with the approval of Secretary, PNG. The above item is covered under the relaxation.

- c. OIL has further stated that tender for the procurement of the same item i.e. 2.7/8" ID L-80 Premium Connection Vacuum Insulated Tubing (VIT) with cross-over was floated by them on GeM on 16.05.2021 for the quantity of 6000 Meters. Despite drawing attention of the prospective domestic suppliers no supplier has shown interest in the tender. Representative of OIL stated that they further require 20,000 meters of this item for their Baghewala Field. The requirement is for next 3 years. The total estimated procurement cost is approx. Rs 26 Crore crores. OIL requested for grant of exemption for floating ICB for further quantity of 20,000 meters of this item.
- d. Representative of Jindal Saw stated that presently they are not able to manufacture and not in a position to take up developmental order. MSL stated that at present they are also not manufacturing this item since foreign technology collaboration is required to manufacture this item.
- e. Chairperson, Grievance Committee stated that JSL and MSL should put efforts to develop this item indigenously or through technology collaboration. Also, OIL should work out the requirement of this item for next 3 - 5 years and apprise the domestic manufacturers of the same so that this item can be developed in the long run.
- f. **Grievance Committee observed that no domestic manufacture is able to manufacturer the 7/8" ID L-80 Premium Connection Vacuum Insulated Tubing (VIT) with cross-over. In view of this. Grievance Committee recommended for the exemption for the procurement of this item for the requirement of 4600 meters and 20,000 meters as requested by OIL. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.**

6. ONGC: Heavy Weight Drill Pipes (HWDP) of various sizes

- a. ONGC has informed that they have a requirement of Heavy Weight Drill Pipes (HWDP) of various sizes with an estimated value of Rs 5.6 crores and have requested to provide exemption under DMI&SP Policy for floating ICB for this item. ONGC has informed that they will take 3 months for finalization of the tender after approval. Delivery will take 6-8 months and the material will be utilized within 1 year after receipt.
- b. ONGC had invited domestic tender through GeM portal (GEM/2021/B/1103541) on 10.03.2021. No bidder participated against this tender. Thus, presently there are no domestic manufacturers for HWDP. ONGC had also earlier floated ICB tender no. ZNPMC19002 on 05.11.2019 for HWDP in which no domestic bidders had participated. No domestic manufacturer has even sought development order for this item. ONGC has therefore requested to provide exemption under DMI&SP Policy for floating ICB for these items. ONGC also informed that Dept. of Expenditure vide OM no. F.20/43/2020-PPD dated 21.12.2020 has granted general relaxation to Oil & Gas sector PSUs for two years (w.e.f. 21.12.2020) for the procurement of certain items through GTE with the approval of Secretary, PNG. The above item is covered under the relaxation. MoPNG has already granted permission for inviting Global Tenders for HWDP.
- c. JSL & MSL stated that they are not able to manufacture this item.

- d. Grievance Committee observed that no domestic manufacturer is able to manufacture HWDP. In view of this, Grievance Committee recommended for granting one-time exemption for the procurement of this item. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

7. ONGC has requested for the exemption for the following four products-

S. No.	Product	Quantity (MT)	Estimated Value (INR Cr.)
i	13 Chrome Tubing 2-7/8" OD L-80 13 Cr.	1100	70
ii	Premium Tubing 2-7/8" OD P-110, 4-1/2" OD L-80 & 5-1/2" OD L-80.	1000	20
iii	13 Chrome Casing 7" OD L-80 13 Cr.	652	30
iv	Premium Casing 9-5/8" OD Q-125, 7" OD Q-125, 5-1/2" OD P-110, 5" OD P-110 & L-80	8061	110

- a. ONGC has informed that it will take approx. 3 months for placement of order from the date of exemption for these items. Delivery of material will take approx. 9-10 months. Material will be utilized within one year after receipt.
- b. ONGC has stated that drilling & production operations at ONGC Work Centres would not be possible to continue with the present inventory of above-mentioned tubing & casing. In view of the above ONGC has requested for exemption from DMISP and approve inviting ICB for these items. ONGC also informed that Dept. of Expenditure vide OM no. F.20/43/2020-PPD dated 21.12.2020 has granted general relaxation to Oil & Gas sector PSUs for two years (w.e.f. 21.12.2020) for the procurement of certain items through GTE with the approval of Secretary, PNG. The above items are covered under the relaxation.

8. 13 Chrome Tubing 2-7/8" OD L-80 and accessories:

- a. ONGC had floated ICB tender no. ZNTLC19003 on 25.11.2019 for this item. No domestic bidders had participated. Development order for 3-1/2" OD 13 Cr has been placed on M/s JSL on 01.04.2020 which will take approx. 2-3 months for trials. The development order is for 3-1/2" OD 13 Cr Tubing whereas the current requirement is of 2-7/8" OD 13 Cr Tubing. Therefore, ONGC stated that even after successful field trial of said 3-1/2" OD 13 Cr Tubing, the domestic manufacturer will be required to have license/authorisation to cut any of the acceptable premium connections for 2-7/8 " OD 13 Cr Tubing which is not available presently.
- b. Representative of MSL stated that this item is under development. Earlier, they were having tie up with 'Tenaris' for the production of this item, which has expired now. They are trying to collaborate with other technology partners.
- c. Representative of JSL stated that they have capacity and capability to manufacture the item with the collaboration with M/s Hunting however, Hunting connection is not in the

list of ONGC approved vendor list for 2-7/8" OD 13 Cr Tubing whereas Hunting connection is approved for 3-1/2" OD 13 Cr Tubing.

- d. Representative of ONGC stated that there is no developmental order requested by JSL for 2-7/8" OD 13 Cr Tubing. ONGC has already placed Developmental Order for 3-1/2" OD 13 Cr Tubing. JSL needs to fulfil the developmental order for which order is already placed. ONGC is ready to place developmental order for 2-7/8" size as soon as JSL applies for the same, however Hunting is not in the approved list for this size.
- e. **Grievance Committee noted that ONGC has approved Hunting connection for 3-1/2" OD 13 Cr Tubing however Hunting connection is not approved for 2-7/8" OD 13 Cr Tubing. In view of the above, Grievance Committee decided to take up the matter with MoPNG and other stake holders. Grievance Committee further decided that the matter may be resolved by the concerned stake holders before placing it for the consideration of the Standing Committee.**

9. Premium Tubing and Accessories:

- a. ONGC invited ICB Tender No. ZNTVC19002 for procurement of Premium Tubing along with accessories on 01.11.2019. Total 07 bidders participated in the said tender wherein 05 bidders were foreign bidders & 02 were domestic bidders. One of the domestic bidders i.e. M/s MSL was technically not acceptable due to non-availability of license/authorisation for cutting premium thread. Other domestic bidder i.e. M/s JSL has quoted for development order of **3-1/2" OD P-110 Premium Tubing** for which they have to still clarify about the availability of cross overs required with Premium tubing. After receipt of details from M/s JSL, the case will be processed on priority for development order. It will take approx. 8-9 months for trials of said item to be supplied by M/s JSL against development order.
- b. Present requirement is for three sizes i.e. 2-7/8", 4-1/2" & 5-1/2" OD Premium tubing out of which the license/authorisation to cut any of the acceptable premium connections is not available with indigenous manufacturer for tubing sizes 2-7/8" & 5-1/2" OD. For 4-1/2", Hunting connection is approved, however since there are issues in the material supplied by JSL with Hunting connection for 3-1/2", therefore ONGC cannot place any further order for 4-1/2" until the issue is sorted out. Even after resolving the issue JSL has to supply the item and again it will undergo trial which will take time.
- c. Representative of JSL requested ONGC that proper reason for the failure may be found and shared with them expeditiously. Chairperson requested ONGC and JSL to coordinate and quickly resolve the issues in the supplied item.
- d. **Grievance Committee observed that ONGC has found some problems with the material supplied by M/s JSL against developmental order for 3-1/2" OD P-110 premium tubing however ONGC has not shared the reason for the failure with M/s JSL. Grievance Committee decided that the matter may be resolved by the concerned stake holders before placing it for consideration of the Standing Committee.**

10. 13 Chrome Casing 7" OD L-80 & accessories:

- a. ONGC invited ICB Tender No. ZNCLC19001 for procurement of 13 Chrome Casing 7" OD L-80 & accessories along with accessories on 29.03.2019. Total 04 bidders participated in the said tender wherein 03 bidders were foreign bidders & 01 was domestic bidder. With respect to domestic bidder i.e. M/s JSL, development order has been placed on 20.12.2020 for this item. However, JSL is yet to supply the item. It will take approx. 8-9 months for establishing the said item to be supplied by M/s JSL against development order.
- b. **Grievance Committee observed that at present no domestic manufacture is manufacturing 13 Chrome Casing 7" OD L-80 13 Cr. and developmental order has been placed on JSL. In view of this, committee recommended for one-time exemption for the procurement of this item. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.**

11. 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:

- a. ONGC invited ICB Tender No. ZNCLC20001 for procurement of Premium Casing along with accessories on 13.02.2020. No domestic bidder participated in this tender.
- b. 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.
- c. JSL & MSL stated that they have not requested for developmental order for these items. However, JSL stated that they have sought development order for Casing 13.3/8" 68 PPF Grade Q125 on date 22.12.2020 from ONGC which is yet to be issued by ONGC.
- d. **Grievance Committee observed that at present no domestic manufacture is approved for manufacturing Premium Casing 9-5/8" OD Q-125, 7" OD Q-125, 5-1/2" OD P-110, 5" OD P-110 & L-80. In view of this, committee recommended for one-time exemption for the procurement of these items to ONGC. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.**

12. United Drilling Tools Ltd. (UDTL): Grievance regarding ICB tender for procurement of Wireline Retrievable Gas Lift Equipments by ONGC

- a. UDT has informed that ONGC has invited International Competitive Bidding Tender No. DLI/CMM/WRGLE/ ZNEPC21001 Date: 17.05.2021 for procurement of **Wireline Retrievable Gas Lift Equipment** whereas there is sufficient capacity available for these items in India. The annual requirement of ONGC for these items is approx. Rs 20-30 crores per year and as per Steel Policy these items should be procured indigenously. UDT has requested that they should be given a chance to supply these items being manufactured domestically.
- b. Further, UDT stated that they have been following up with ONGC since year 2010 to supply Wireline Gas Lift Valves and Mandrels to ONGC. ONGC's senior officers' team had done factory inspection in the year 2011 and approved their plant for supply of Wireline Retrievable Gas Lift Valves and Side Pocket Mandrels in the year 2011. After

approval of their plant by ONGC and after vigorous follow-up and participation in various tenders, finally they received the Development Order from ONGC in the year 2018 which were manufactured and supplied by them after duly inspected by ONGC's nominated Inspection Agency. They also have supplied Wireline Gas Lift Valves & Side Pocket Mandrels to ONGC assets. UDT stated that HSN Code for these items is 7304.

- c. UDT stated that ONGC has allowed Start-up bidders (domestic manufacturers) who have supplied any quantity of Wireline Retrievable Gas Lift Valves & Mandrels to major Oil & Gas companies like ONGC and few other E&P companies from the last 5 years, to bid in this tender. They will be technically qualified by ONGC even though they do not meet the original experience criteria of ONGC given in this tender whereas company like them who are meeting all the BEC criteria are still not being technically qualified by ONGC in this tender. UDT requested that these restrictive conditions may be removed.
- d. UDT requested that importing of these items should not be allowed and the existing tender ONGC (No. DLI/CMM/WRGLE/ ZNEPC21001 Date: 17.05.2021) should be put "on Hold" and qualified Indian companies should be allowed to bid, as there is sufficient capacity to manufacture and supply these items in our country. They have invested 25-30 crores in developing these items and they can put 60% indigenous content in the product.
- e. Representative of ONGC stated that the HSN code of Wireline Retrievable Gas Lift Valves are not covered in Appendix-A of DMI&SP Policy. ONGC has already floated a GeM tender for these items against which UDT has not applied. Only after that they have sought approval for floating ICB. ONGC had placed development order on UDT in November 2017, however UDT took 2 years to manufacture the item. When the item was tested it was found not confirming to the specification. The item was again supplied by UDT in November, 2020. The valves have been installed by ONGC and the performance is under evaluation. The above wells will be subjected to various Well Stimulation jobs as per requirement and the response & performance of these valves after the Well Stimulation jobs will be evaluated for conclusive performance report and all these activities will take due time.
- f. Representative of UDT stated they initially started its process for development order for wireline gas lift valve and mandrel and made a request for development order in 2008. After 3 years of follow up from UDT to ONGC, the factory inspection was done on 07.09.2011, where ONGC personnel have recommended us for development order. Developmental order was issued on 07.11.2017 only for 1.3% of the tender quantity and that too after 6 years continuous follow up. UDT took about a year to manufacture the item but ONGC took 2.5 years for inspection. ONGC stated that they place development order only for the quantity that is required to prove the item and it is upto 20% and not 20%. UDT further stated that vendors of ONGC are taking material from UDT and in turn supplying the same to ONGC. ONGC stated that no such case is in their knowledge. Chairperson asked UDT to provide the evidence of such incident so that necessary measures can be taken.
- g. Chairperson, Grievance Committee stated that basic objective of the DMI&SP Policy is to strengthen Make-in-India and the spirit of this policy is to encourage domestic manufactures.
- h. **Grievance Committee observed that there was a huge delay in placement of development order by ONGC and order for only 1.3% of the quantity was issued.**

Grievance Committee opined that ONGC should look into enhancing the quantity of developmental order to 20%. Further, M/s UDT has pointed out that ONGC has put some restrictive conditions in the tender which may be removed. In view of the above, Grievance Committee decided to take up the matter with MoPNG and other stake holders. Grievance Committee decided that the matter may be resolved by the concerned stake holders before placing it for the consideration of the Standing Committee.

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

List of the officers attended the 16th Grievance Committee on DMI&SP Policy, held on 16th June, 2021 at 2.30 P.M. under the Chairpersonship of Smt. Rasika Chaube, Additional Secretary, Ministry of Steel

Members of Grievance Committee

- 1) Smt. Rasika Chaube, Additional Secretary, M/o Steel
- 2) Shri Atul Bhatt, CMD, MECON Ltd.
- 3) Shri Neeraj Agrawal, Director, M/o Steel
- 4) Shri Vinod Bahade, Director, M/o Steel
- 5) Dr. T. Mukherji, Technical Expert

Representatives from organizations/ Associations

- 6) Shri Roy, Director, SAIL
- 7) Shri Arun Kumar Agrawal, Director, MECON
- 8) Smt. Binita Deka Borah, GM, OIL
- 9) Smt. Anita Dam, GM, OIL
- 10) Shri Rupak Kalita, DGM, OIL
- 11) Shri Sanjiv Dheer, Jindal Saw Limited
- 12) Shri PK Tripathy, ONGC
- 13) Shri NK Jain, CGM, ONGC
- 14) Shri P.K. Gupta, MD, UDT
- 15) Shri Kanal Gupta, Director, UDT
- 16) Shri Avinash Kumar, GM, Jindal Saw Limited
- 17) Shri B.P. Pal, GM, Maharashtra Seamless Limited