

Minutes of the 15th meeting of the Standing Committee under DMI&SP Policy, held on 1st July, 2021 at 03:00 P.M. through video conferencing under the Chairmanship of Shri P. K. Tripathi, 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 15th Meeting of the Standing Committee. Director, M/o Steel made a brief presentation about issues.
3. **SAIL: Procurement of Backup Roll / Work Roll**

Background:

- a. SAIL has submitted proposal for seeking exemption for procurement of the four types of Work/Backup Rolls weighing over 25 Tonnes per piece. SAIL (RSP) had 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 has been 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. 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.

Recommendation of the Grievance Committee:

- c. 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.

Discussion:

- d. During the discussion, MECON informed that they have done a study and found that Work Roll / Backup Roll weighing more than 15 ton are not being manufactured in India. Shri T. Mukherjee, Technical Expert also stated that these heavy rolls are not being manufactured in India and there is a need to develop vendors. Committee asked SAIL to explore and develop domestic sources for manufacture of these rolls.

Decision:

- e. **Standing Committee recommended to grant exemption to SAIL for the procurement of Work Rolls / Backup Rolls since these heavy weight rolls are not being manufactured domestically at present. Committee directed that MECON must prepare a roadmap for domestic manufacturing of these types of Rolls as suggested by Grievance Committee.**

4. SAIL: Procurement of Electric Driven Exhauster

Background:

- a. SAIL has 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. The estimated cost of this item is around 17 crores. Since the estimated cost of these items is below 200 crores, approval of Secretary (Coordination), Cabinet Secretariat will be required in this case.

Recommendation of the Grievance Committee:

- b. 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 the same before the Standing Committee under DMI&SP Policy for consideration and approval.

Discussion:

- c. During the discussion, Shri T. Mukherjee, Technical Expert stated that Tata Steel is also importing this item for its steel plants as this is not being manufactured in India presently. CMD, MECON informed that this is an extremely high precision equipment and any failure may cause fire, no Indian manufacturer is able to meet these stringent technical specifications. Further, the annual requirement of this item is very less. Committee asked SAIL explore and develop domestic vendors who can manufacture this item not only of domestic but also for global requirements. Committee directed that MECON must prepare a roadmap for domestic manufacturing of this item as suggested by Grievance Committee.

- d. **Decision:**

Standing Committee recommended to grant exemption to SAIL for the procurement of Electric Driven Exhauster, since it is not being manufactured in India at present.

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

Background:

- 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.
- b. No domestic bidder participated in this tender. Known prospective manufacturers 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.
- c. OIL has floated another 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 on GeM on 16.05.2021 for the quantity of 6000 Meters. No domestic supplier has shown interest in the tender. OIL has informed 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 has requested for grant of exemption for floating ICB for further quantity of 20,000 meters of this item.

Recommendation of the Grievance Committee:

- d. Grievance Committee observed that no domestic manufacture is able to manufacture 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.

Discussion:

- e. OIL stated that this is a special item required for production of Heavy Crude Oil and no Indian manufacturer has the capability to manufacture this item. The quantity required is also very less and there are only a few vendors across the world. The total requirement is for 14 wells and it will take 3-4 year time to complete. OIL further stated that beyond this requirement, the item will not be required by OIL in near future,

Decision:

- f. **Standing Committee recommended to grant exemption to Oil India Limited for the procurement of 7/8" ID L-80 Premium Connection Vacuum Insulated Tubing (VIT) with cross-over for the requirement of 4600 meters and 20,000 meters.**

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

Background:

- a. ONGC has requested to provide exemption under DMI&SP Policy for floating ICB for Heavy Weight Drill Pipes (HWDP) of various sizes. The estimated value of the tender is Rs 5.6 crores. 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. 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.

Recommendation of the Grievance Committee:

- c. 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.

Discussion:

- d. ONGC stated that the requirement of this item is very less to the tune of Rs 5 – 10 cr per year. No domestic manufacture has sought development order for this item. JSL & MSL stated that they do not have the facility to manufacture this item.

Decision:

- e. **Standing Committee recommended to grant exemption to ONGC for the procurement of Heavy Weight Drill Pipes (HWDP) of various sizes as no domestic manufacturer is able to manufacture this item.**

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

S. No.	Product	Quantity (MT)	Estimated Value (INR Cr.)
1	13 Chrome Casing 7" OD L-80	652	30
2	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.

8. 13 Chrome Casing 7" OD L-80 & accessories:

Background:

- a. ONGC invited ICB Tender No. ZNCLC19001 for procurement of 13 Chrome Casing 7" OD L-80 & 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.

Recommendation of the Grievance Committee:

- b. Grievance Committee observed that at present no domestic manufacture is manufacturing 13 Chrome Casing 7" OD L-80 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.

Discussion:

- c. ONGC stated that this is a made to order item and not readily available. It will take 3 months to place the order and 6 months to manufacture and supply. The material will be utilized next year. ONGC further stated that by development order has been placed on domestic manufacturer M/s JSL and by the next procurement cycle, domestic vendor M/s JSL may be developed so there will be no requirement of seeking exemption for this item in future. Therefore, they require one-time exemption of this item.
- d. JSL confirmed that development order for this item has been placed by ONGC on 20.12.2020. JSL further stated that the manufacturing of this item has got delayed due to the pandemic and they will deliver the item shortly.

Decision:

- e. Standing Committee recommended to grant one-time exemption to ONGC for the procurement of 13 Chrome Casing 7" OD L-80 & accessories.
9. **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:**

Background:

- 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. 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.

Recommendation of the Grievance Committee:

- b. 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.

Discussion:

- c. JSL stated that they have requested for developmental order 13.3/8" casing on 22.12.2020 ONGC which is yet to be issued. ONGC stated that they are not aware of any such request from JSL. During the discussion, issue regarding status of development orders for items for which exemption was provided in the past was also deliberated. The committee sought the status of all the development orders since inception of the DMI&SP Policy from OIL & ONGC.

Decision:

- d. **Standing Committee directed ONGC and JSL to find out the facts regarding request for development order for these items. The issue should be put up for discussion in the next meeting of the Standing Committee. Committee also directed ONGC and Oil India Limited to submit detailed status of all the development orders pending with them or placed by them for which exemption had been granted in the past. A letter in this regard may also be sent to MoPNG.**

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

Annexure- I

List of the officers who attended the 15th Standing Committee on DMI&SP Policy, held on 1st July, 2021 at 3:00 P.M. under the Chairmanship of Shri P. K. Tripathi, Secretary, Ministry of Steel

Members of Standing Committee

1. Shri P.K. Tripathi, Secretary (Steel) - Chairman
2. Smt. Rasika Chaube, Additional Secretary, M/o Steel
3. Smt. Sukriti Likhi, AS&FA (Steel)
4. Shri Atul Bhatt, CMD, MECON Ltd.
5. Shri Vinod Bahade, Director, M/o Steel
6. Dr. T. Mukherji, Technical Expert

Ministry of Steel

7. Shri Neeraj Agrawal, Director, M/o Steel
8. Shri Parmjeet Singh, AIA, M/o Steel

Representatives from organizations/ Associations

9. Shri H.N. Rai, Director, SAIL
10. Shri Arun Kumar Agrawal, Director, MECON
11. Smt. Binita Deka Borah, GM, OIL
12. Smt. Anita Dam, GM, OIL
13. Shri Rupak Kalita, DGM, OIL
14. Shri Sanjiv Dheer, Jindal Saw Limited
15. Shri AP Tripathy, ONGC
16. Shri Avnish Kumar, GM, Jindal Saw Limited
17. Shri Shiv Kumar Singhal, President, Maharashtra Seamless Limited
18. Shri Hemant Matreja, DGM, Maharashtra Seamless Limited
19. Shri V. Suresh, SAIL
20. Shri Pradeep Goel, ONGC
21. Shri SK Pipola, ONGC