

No. S-13022/3/2020-IDD (FTS:9036)
Government of India
Ministry of Steel
ID Division

Udyog Bhawan, New Delhi
Dated: 10th October, 2022

To,

1. Shri Ambika Tripathi, ED, ONGC
2. Shri M.K. Agrawal, GM, ONGC
3. Shri Avnish Kumar, GM, Jindal Saw Limited
4. Shri Shiv Kumar Singhal, President, Maharashtra Seamless Limited
5. Shri Hemant Matreja, DGM, Maharashtra Seamless Limited
6. Shri Vikash Kalra, GM, UTDL

Subject: Minutes of the 17th meeting of the Standing Committee under DMI&SP Policy, held on 01st June, 2022 at 04:00 P.M. through video conferencing under the Chairmanship of Shri Sanjay Singh, Secretary, Ministry of Steel.

Sir

The undersigned is directed to forward herewith a copy of approved Minutes of 17th meeting of the Standing Committee under DMI&SP Policy, held under the Chairmanship of Shri Sanjay Kumar Singh, Secretary, and Ministry of Steel on 01st June, 2022, for information and necessary action.

Yours faithfully,

Encl: As above.



(Ashok Sharma)

Under Secretary to the Govt. Of India
Tel: 011-2306273

Copy to:

1. Smt. Sukriti Likhi, AS&FA, M/o Steel
2. Shri Parmjeet Singh, Addl.IA, M/o Steel
3. Shri Devidatta Satapathy, Deputy Secretary, M/o Steel
4. Shri Arun Kumar Agrawal, Director (Technical), MECON

Copy to:

Tech. Director NIC: It is requested to kindly upload the said Minutes of Meeting on Ministry of Steel Website under **Acts/ Policies/ Notifications** tab **Minutes of Meetings**

Minutes of the 17th meeting of the Standing Committee under DMI&SP Policy, held on 01st June, 2022 at 04:00 P.M. through video conferencing under the Chairmanship of Shri Sanjay Singh, Secretary, Ministry of Steel

The Standing Committee is formed to examine the exclusion request submitted along with sufficient proof of unavailability of domestic manufactured iron and steel products by bidders/company engaged in bidding of projects funded by government agencies. ONGC requested for the following 4 items for procurement through Global Tendering Enquiry:

1. Procurement of Drill Collars of Various Sizes
2. Procurement of 13 Chrome Tubing 2-7/8"OD L-80 and accessories
3. Procurement of Premium Tubing 2-7/8" OD P-110 and accessories
4. Procurement of Wireline Retrievable Gas Lift Equipment's (WRGLE)

List of Officers who attended the meeting is enclosed as **Annexure -I**.

At the outset, Chairman of the Standing Committee welcomed the participants to the 17th Meeting of the Standing Committee. Based on the inputs provided by ONGC and MECON, Deputy Secretary, M/o Steel, made a brief presentation on the issues.

1. **Procurement of Drill Collars of Various Sizes,**
Qty: 514 nos.
Value: Rs.9.02 Cr :
(Qty. required for one year)

Background

- ONGC has floated GeM tender no. GEM/2021/B/1184809 dated 29.04.2021. ONGC submitted that no domestic bidder participated in the tender and no domestic manufacturer is available for this item. M/s JSL and M/s MSL stated that they are not manufacturing this product.

16th SCM Decision: Standing Committee directed MECON to explore the possibility whether this item could be procured from OCTL.

Discussion: MECON informed that OCTL were making drill collars and supplied to oil companies before they were put into NCLT. No domestic manufacturer is available for supply of drill collars post insolvency of OCTL. Further, it was submitted that M/s MSL is in a process to acquire OCTL, but the process has got delayed and in future they may manufacture the item locally.

Decision: Standing Committee recommended that a one-time exemption for procurement of Drill Collars of various sizes through GTE may be granted to ONGC only for the present tender during the FY 2022-23.

2. **Procurement of 13 Chrome Tubing 2-7/8"OD L-80 and accessories,**
Qty: 1100 MT
Value: Rs.70 Cr.
(Qty. required for one year)

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 further informed that Domestic manufacturer do not have authorization to cut premium threads for 2.7/8" OD tubing size and 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 was yet to be supplied by JSL and it will take some more time for installation, testing and trial. The Grievance Committee decided to place the matter before Standing Committee.
- ONGC did not approve Hunting threading for which JSL has the license as it is not API compliant. JSL claimed that if ONGC has approved the higher size (3.1/2") with hunting connection then it may be extrapolated to lower size.

16th SCM 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.

Discussion: DGH submitted that the subject matter does not fall under roles and functions of DGH and it has no role in operational activities of operator. Hence, they have no comments to offer. It was discussed that independent technical views from independent agency in the field of Oil and Petroleum Sector are necessary in this case.

Decision: Standing Committee recommended one-time exemption for procurement of 13 Chrome Tubing 2-7/8"OD L-80 and accessories through GTE may be granted to ONGC only for the present tender during the FY 2022-23. However, ONGC is directed to issue at least 20% development order to a domestic supplier. Further, ONGC is requested to confirm and approach the independent agency having expertise in this sector, for obtaining views whether 2.7/8" OD tubing size can be approved by ONGC in case where higher size is already accepted, in the instant case 3-1/2" OD.

3. **Procurement of Premium Tubing 2-7/8" OD P-110 and accessories,**
Qty: 756 MT,
Value: Rs.14.1 Cr.
(Qty. required for one year)

Background

- In Grievance Committee meeting held on 02nd February, 2022 ONGC stated that the license/authorisation to cut acceptable premium connections is not available with indigenous manufacturer for tubing sizes 2-7/8"OD. No development order has been sought for these items by the domestic manufacturers. Grievance Committee recommended a one-time exemption for procurement of Premium Tubing 2-7/8" OD P-110 and accessories through GTE.
- In 16th SCM, it was stated by ONGC that 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.

16th SCM Decision: Standing Committee had suggested approaching the Oil & Petroleum Sector Regulator 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.

Discussion: DGH submitted that the subject matter does not fall under roles and functions of DGH and it has no role in operational activities of operator. Hence, they have no comments to offer. It was discussed that technical views from independent agency in the field of Oil and Petroleum Sector are necessary in this case as any failure of premium threaded tubing can result in operational & safety hazard.

Decision: Standing Committee recommended a one-time exemption for procurement of Premium Tubing 2-7/8" OD P-110 and accessories through GTE may be granted to ONGC only for the present tender during the FY 2022-23. Further, ONGC is directed to issue at least 20% development order to a domestic supplier. Further, ONGC is requested to approach independent agency in the field of Oil and Petroleum Sector having expertise in this sector, for obtaining its views whether 2-7/8" OD tubing size can be approved by ONGC in case where higher size is already accepted, in the instant case 3-1/2" OD. However, if ONGC fails to submit the views/advice of independent agency in the field of Oil and Petroleum Sector in this matter within one month from issue of these minutes, their case would not be considered for exemption in future.

4. **Procurement of Wireline Retrievable Gas Lift Equipment's (WRGLE),**
Qty: Valves - 357 nos. Mandrel - 267 nos.
Value : Rs.12.20 Crore, L1 Rates: Rs.9.15 Crore
(Qty. required for one year)

Background

- ONGC had floated ICB tender no. ZNEPC21001 dated 07.05.2021. Development order has been placed for these items by ONGC on M/s United Drilling Tools Ltd (UDTL) in 2018. The material was manufactured and supplied by M/s UDTL to ONGC after due inspection. ONGC rejected both the items due to leakages found in field trial of 1" WRGLVs. As the trial testing of

1.5” WRGLE was still pending, Grievance Committee requested ONGC to complete the trial and submit the performance testing report.

- In 16th SCM, ONGC mentioned that trial testing of 1.5” valve was complete and the performance was UNSATISFACTORY. UDTL stated that testing was not conducted in the presence of their representative and they have also supplied similar product to foreign companies.

16th SCM Decision: Standing Committee recommended ONGC to provide their testing report to UDTL and Ministry of Steel. It was also directed to M/s UDTL to submit testing report from the independent agency of their product to ONGC and Ministry of Steel.

Discussion: ONGC submitted testing report of 1.5” WRGLE supplied by UDTL. It was noticed in the report that the 1.5” WRGLE has failed in the field trial testing and leaking on test bench. The performance of 1.5” WRGLE and 1” WRGLE was found “NOT SATISFACTORY”. Further, UDTL withdrew its representation against the ONGC and submitted that ONGC may be allowed to go ahead with the procurement of these items against the aforementioned tender and requested ONGC to issue another development order to UDTL for these items and representatives from UDTL may be allowed to witness the testing of the same.

Standing Committee Decision: Standing Committee recommended one-time exemption for procurement of Wireline Retrievable Gas Lift Equipment's (WRGLE) through GTE may be granted to ONGC only for the present tender during the FY 2022-23. Further, ONGC is also directed to issue another development order to domestic supplier for 20% of procurement quantity. Further, it was also directed to allow representatives from the supplier to be present during the testing of the same.

In conclusion, Secretary (Steel) also emphasised that possibilities may also be explored by ONGC to develop their requirement under Production Linked Incentive (PLI) Scheme launched for Secondary Steel Sector to encourage the government’s vision of Atmanirbhar Bharat.

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

Annexure- I

List of attendees in the 17th Standing Committee under DMI&SP Policy, held on 01st June, 2022 at 04.00 P.M. through video conferencing under the Chairpersonship of Shri Sanjay Singh, Secretary (Steel), Ministry of Steel.

Members of Standing Committee

1. Shri Sanjay Singh, Secretary (Steel) – Chairman
2. Smt. RasikaChaube, Additional Secretary, M/o Steel
3. Smt. SukritiLikhi, AS&FA, M/o Steel
4. Shri Salil Kumar, Director (Project) and Acting CMD, MECON Ltd.
5. Shri Arun Agarwal, Director (Technical), MECON Ltd.
6. Shri DevidattaSatapathy, Deputy Secretary, M/o Steel
7. Shri G. Sarthy Raja, Deputy Secretary, M/o Steel
8. Dr T. Mukherjee, Technical Expert (Steel)
