

Minutes of the 18th meeting of the Grievance Redressal Committee on DMI&SP Policy, held on 07.12.2022 at 12.00 P.M. under the Chairpersonship of Smt. Ruchika Chaudhry Govil, 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 Redressal Committee welcomed the participants to the 18th Meeting of the Grievance Redressal Committee. Deputy Secretary, M/o Steel made a brief presentation about issues.
3. **ONGC has raised the following 7 issues for granting exemption from the provisions of DMIS&P Policy for procurement of these items through Global Tender Enquiry.**

Sl.No.	Issue	Quantity (Nos.)	Estimated Value (in crores)
1.	Short Drill Pipes and Pup joints.	280	2.05
2.	Heavy Weight Drill Pipes for year 2022-23.	694	23.09
3.	Drill Collars with premium threads	472	12.94
4.	15 Chrome Premium Threaded Casing	1850 meter	3.10
5.	Premium Casing & Accessories	9028 MT	152
6.	Coil tubing reels.	66	31.18
7.	13 Chrome Casing with Premium Threads & Crossovers : 9-5/8"L-80, 47 PPF & 7", L-80, 29 PPF	2160 MT	119.2

A. Short Drill Pipes and Pup joints Qty.: 280 nos. (Qty. required for one year) Estimated Value: INR 2.05 crore)

i) ONGC has informed that development orders were placed to M/s Jindal Saw Limited & M/s Maharashtra Seamless Limited for Drill pipes. After successful field trial testing, both the manufacturers are now 'developed source' for Drill pipes. Subsequent to above, domestic Tender no. GeM/2021/B/1503424 was floated on 09.09.2021 for procurement of Drill Pipes, Short Drill Pipe and Pup Joints of various sizes through GeM portal wherein following three (03) indigenous manufacturers had participated in the said tender:

- M/s Jindal Saw Limited, Nasik, Maharashtra
- M/s Maharashtra Seamless Limited, Raigad, Maharashtra
- M/s Mining Machine Tools, Korba, Chhattisgarh

ii) As all the items i.e. Drill Pipes, Short Drill Pipe and Pup Joints were part of the group only, the said tender had to be closed as none of bidders was technically qualified for supply of Short Drill Pipe and Pup Joints. M/s Jindal Saw Limited and Maharashtra Seamless Limited are not willing to manufacture Short Drill Pipe and Pup Joints even though they have requisite API-5DP certification and capability to manufacture these items.

iii) Representative of M/s Jindal Saw Limited & M/s MSL stated that they don't have capability to manufacture integral type Short Drill pipe & Pup joints as required by ONGC. Further, the ONGC requirement for the said item is limited and it is not commercially viable to manufacture the same.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of this item and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration. Further, Grievance Redressal Committee directed ONGC to provide long term projections for Short Drill pipe & Pup joints so that domestic manufacturers can look into the feasibility of developing the capability of manufacturing these items indigenously.

B. Heavy Weight Drill Pipes Qty.: 694 nos. (Qty. required for one year) Estimated Value: INR 23.09 crore)

i) ONGC has informed that Tender No. ZNPVC21001 for procurement of Heavy Weight Drill Pipes of various sizes was invited on 27.08.2021 under International Competitive Bidding (ICB). Total 5 bidders participated in the said tender which includes four foreign Manufacturer and one supply house from India representing a foreign manufacturer. Further, ONGC informed that in the previous three tenders for procurement of said item i.e. Heavy Weight Drill Pipes, no Indigenous bidder / manufacturer had participated. Now, one Indigenous manufacturer i.e. M/s Parveen Industries has sought development order for the said item i.e. Heavy Weight Drill pipe and the same shall be processed by ONGC for placement of development order.

ii) Representative of M/s Jindal Saw Limited & M/s MSL stated that they don't have capability to manufacture Heavy Weight Drill Pipe as required by ONGC.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee observed that no domestic manufacturer has been able to manufacture HWDP till now and only one manufacturer has sought for placement of development order. In view of this, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of this item

and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

c. Drill Collars with Premium Thread Qty.: 472 nos.(Qty. required for one year) Estimated Value: INR 12.94 crore)

i) ONGC has informed that GeM tender (Tender No.- GEM/2022/B/2083030) was invited on 13.04.2022 and bid was opened on 04.05.2022 wherein there was only one TA/CA bidder i.e. M/s Parveen Industries Pvt. Ltd., Navi Mumbai. M/s Parveen Industries Pvt. Ltd. had bid for Spiral Drill Collars and Drill collar (sticks).

ii) However, the said bidder i.e. M/s Parveen Industries Pvt. Ltd., had not quoted for Premium thread Drill Collars as they don't have the facility for manufacturing premium thread connection.

iii) ONGC further informed that Drill collars with premium threads are essential items required for drilling operations. It would not be possible to continue the drilling operations at ONGC Work Centres with the present inventory of these items.

iv) Representative of M/s Jindal Saw Limited & M/s MSL stated that they don't have capability to manufacture Drill collars with premium threads.

v) M/s Praveen Industries have also informed that they do not have facility for manufacturing premium thread connection and had not quoted for Premium thread drill collars in the aforementioned tender.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee observed that there is no domestic manufacturer available for Drill collars with premium threads. In view of this, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of this item and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

D. 15 Chrome Casing 4-1/2" OD, Qty.: 1850 meters Estimated Value: INR 3.10 crore)

i) ONGC has informed that GEM tender was floated for procurement of same in March 2022 vide GEM Bid No. GEM/2022/B/1989612. However, no bidder has participated in the tender.

ii) ONGC stated that the said casing is required to be used below 7" liner for wells of Nagayalanka JV Phase-I campaign if Rajahmundry Asset to facilitate multi-stage hydro-fracturing after drilling. Similar casing policy was adopted during Phase-I development of the field to facilitate multi-stage hydro fracturing which resulted in

substantial increase the domestic hydrocarbon production. Thus, the requirement of the said casing is critical for drilling & production operations of ONGC.

iii) Representative of M/s MSL stated that they don't have capability to manufacture 4-1/2" OD, 15 Cr Casing. Representative of M/s Jindal Saw Limited informed that they have capability to produce the required size and requested for development order for 15 Cr to develop the required grade.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee observed that no domestic manufacturer is able to manufacture 4-1/2" OD, 15 Cr Casing. In view of this, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of this item and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

E. Premium Casing & accessories(11-3/4" FJ N80, 9-5/8" Q125, 7" Q125, 5-1/2" P110, 5" P110) Qty.: 9028 MT (Qty. required for one year) Estimated Value: INR 152 crore)

i) ONGC has informed that GEM tender for procurement of Premium Casing along with accessories including FJ (Flush Joint) was floated on 26.05.2022 and no technically acceptable bid was received for Premium Casing with Flush Joint connection.

ii) Premium Casing & Accessories are used for gas wells, high-pressure wells, as well as for wells producing corrosive effluents. It offers a metal-to-metal seal for improved high pressure seal integrity. Thus, the requirement of these Premium casing and accessories is very critical for production operations of ONGC.

iii) Representative of M/s Jindal Saw Limited stated that they have supplied 13-3/8" OD, Q-125 grade Casing against Development Order placed by ONGC for which field trial testing report has not yet been issued by ONGC.

iv) ONGC informed that operational issues have been encountered during field trial testing of the Casing supplied by M/s JSL against development order. The same will be communicated to M/s JSL after thorough analysis by ONGC. Further, it was informed that failure was observed in Premium Casing i.e. 9-5/8", P-110 with Hunting Seal Lock XD connection supplied by M/s JSL against regular order. The matter has already been communicated to M/s JSL to resolve the issue at the earliest possible so as to avoid any operational exigency.

v) M/s JSL informed that the root cause analysis of the failure in said premium casing (i.e. 9-5/8", P-110 with Hunting Seal Lock XD connection) is also being analyzed by them.

vi) ONGC further submitted that the exemption from DMI&SP Policy is requested for five sizes of Premium Casing. In the event of successful field trial of 13-3/8", Q-125, BTC Casing supplied against Development Order, M/s JSL will be eligible for participating in regular tenders for only two of the sizes i.e. 9-5/8" OD & 7"OD Premium Casing pipes.

Recommendation of Grievance Redressal Committee

i) Grievance Redressal Committee observed that no domestic manufacturer is able to manufacture three of the Casings i.e. 11-3/4" FJ N80, 5-1/2"P110& 5" P110 Premium Casing. In view of this, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of these Premium Casings and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

ii) With respect to 9-5/8" OD & 7"OD Premium Casing pipes, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of these Premium Casings and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration. Grievance Redressal Committee directed ONGC to share the operational reports/ findings of the field trial with M/s JSL to facilitate indigenization of these products.

F. Coil Tubing Reel of various sizes Qty.: 66nos. Estimated Value: INR 31.18 crore)

i) ONGC has informed that Tender no. BN8JC21001 for procurement of Coil Tubing Reels was invited on 09.07.2021 under ICB. Total four foreign bidders had participated and no domestic manufacturer participated in the said tender. The order was placed on foreign manufacturer i.e. M/s National Oilwell Varco Inc. Texas, USA.

ii) Representative of M/s Jindal Saw Limited & M/s MSL stated that they don't have capability to manufacture Coil Tubing Reels.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee observed that no domestic manufacturer is able to manufacture Coil Tubing Reels. In view of this, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of this item and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

G. 13 Chrome Casing with Premium Threads & accessories (9-5/8" L-80, 47 PPF & 7", L-80, 29PPF) Qty.: 2160 MT (Qty. required for one year) Estimated Value: INR 119.2 crore)

i) ONGC has informed that development order was placed to M/s JSL for supply of 7" OD, 13 Chrome Casing with premium thread. The results of field trial testing were not satisfactory. The same has been conveyed to M/s Jindal Saw Limited and the firm is investigating into the causes of the failure. However, till the material is successful in field trial testing, M/s Jindal Saw Limited cannot be considered as a developed source.

ii) M/s JSL informed that the issue has been taken up and the root cause of the failure is being analysed by them.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee observed that M/s JSL is yet to fully develop the capability for 7" OD 13 Chrome Casing. Even if 7"OD 13 Chrome Casing gets developed, there is no domestic manufacturer available for 9-5/8"OD 13 Chrome Casing. In view of this, Grievance Redressal Committee recommended to grant one-time exemption to ONGC for procurement of this item i.e. 13 Chrome Casing with Premium Threads & accessories (9-5/8" L-80, 47 PPF & 7", L-80, 29 PPF) and decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.

4. Issues raised by UDTL against Cairn

A. Tender No. Doc 3204282574

- **30" Conductor, 310 ppf, 1" thickness, Leopard Connection with drift ID>27.3 in., Material Grade – X56 for quantity of 450 meters**
- **20" Casing, 133#, J-55, BTC Casing for quantity 1840 meters)**

i) M/s UDTL has informed that Cairn has come out with tender for 30" Conductor Casing & 20" Casing. As Cairn is a Joint Venture of ONGC, the DMI&SP Policy should be applicable in the subject tender.

ii) ONGC stated that the subject tender is for items required in OALP blocks which are not under Joint Venture with ONGC and as Cairn is a private operator, DMI&SP Policy would not be applicable to tenders floated by them.

iii) As regards the blocks where ONGC is in joint venture with Cairn, it was informed that ONGC is a joint venture partner with Cairn in following three blocks with share being as under:

- RJ-ON 90/1 – ONGC Share 30%
- Ravva – ONGC Share 40%
- CD-OS/2 – ONGC Share 50%

iv) M/s UDTL also raised issue regarding other similar tenders that have been floated by Crain for the aforementioned blocks. Details of the tenders are as given below:

- Tender Doc3582641003 - RJ-ON 90/1 Block
- Tender Doc3564344197 - Ravva Block
- Tender Doc3758599982 - CD-OS/2 Block

Recommendation of the Grievance Redressal Committee

The Grievance Redressal Committee directed UDTL to submit more documents to redress this issue. Further, DGH and ONGC have been asked to clarify whether the project related to aforementioned tenders comes under central Ministry scheme through DGH. In the meantime, the committee directed to defer this issue till clarifications are received from ONGC and DGH.

5. Issues raised by UDTL against ONGC

A. To enhance the quantity of development order to 20% to UDTL

i) M/s UDTL has informed that development order has been placed for Wire line Gas lift Equipment (WRGLE) by ONGC which should be enhanced to 20% of tendered quantity as per the recommendation of Standing Committee.

ii) ONGC stated that three development orders for WRGLE have already been placed to following domestic manufacturers:

- M/s UDTL (items supplied against previous development order got failed during field trial testing. A fresh development order has been placed.)
- M/s Parveen
- M/s Botil

iii) Further, development order is also being placed on 4th domestic manufacturer i.e. M/s Weatherford, Vadodara. The total quantity of items is over 25% of the tendered quantity.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee observed that ONGC has placed development orders for WRGLE to four domestic manufacturers (including UDTL) for over 25% of tendered quantity. In view of this, Grievance Redressal Committee did not agree to UDTL's request to further increase the development order quantity to UDTL and asked UDTL to execute the ongoing development order for WRGLE.

6. JSPL submitted representation against following tenders of DMRC and MPMRCL for procurement of HH Rails:

- **DMRC DT-02: 16,935 MT**
- **MP Metro BH & IN -03B: 16,545 MT (Bhopal and Indore)**

It is mentioned that due to certain tailored restrictive clauses M/s JSPL was not able to participate in the aforementioned tenders.

Representative from MP Metro has informed that the grievance stands resolved as the order has been placed with JSPL.

Representative from JSPL has also confirmed that the clauses were suitably amended by MP Metro and DMRC. Thus, the issue stands resolved.

Further, JSPL also raised following issues:

(i) Landed costs versus the foreign bidders costing till the ports only wherein the customs duty and other taxes are exempted for the foreign bidders which make the domestic bidders less competitive in terms of price.

(ii) Further, the Price variation clause which is not a true reflection of the prices since domestic pricing is on WPI and foreign is on PLATTS INDEX.

Thus, making the domestically manufactured steel less competitive.

Representative from Ministry of Housing and Urban Affairs (MoHUA) informed that some modifications were suggested to the metro companies and the grievance were addressed.

Also, it was informed that for metro companies, Make in India guidelines have been issued by MoHUA. And issues faced by JSPL may be addressed to MoHUA.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee stated that for foreign funded projects, the specific policy that governs the projects (Make in India guidelines by MoHUA in case of Metro companies) would supersede DMI&SP policy.

7. Issues raised by STMAI against BHEL

i) **STMAI has submitted a representation that that BHEL has floated a Global tender wherein all Chinese mills have been** allowed to bid while there is a huge capacity and capability available domestically. The details of the tenders are as given below:

- Tender No. 1502200006 dated 03.03.2022 for the procurement of Seamless Carbon Steel required for NTPC Mouda and Nabinagar projects.
- Tender No. 1502200008 dated 26.03.2022 for the procurement of Seamless Alloy Steel Pipes required for NPCIL fleet mode Reactor Header project.

These issues were resolved in the samvaad meeting organized by BHEL.

STMAI also requested that foreign vendors should not be included in the approved vendor list when the product is available domestically.

Recommendation of Grievance Redressal Committee

Since, the issue has been resolved; BHEL may go ahead with the proposed tender. Grievance Redressal Committee observed that the issue of inclusion of foreign vendors in the approved vendor list for domestically available products would be taken up separately.

List of the officers attended the 18th Grievance Redressal Committee on DMI&SP Policy, held on 07.12.2022 at 05.00 P.M. under the Chairpersonship of Smt. Ruchika Chaudhry Govil, Additional Secretary, Ministry of Steel.

Members of Grievance Redressal Committee

1. Smt. Ruchika Chaudhry Govil, Additional Secretary and Chairperson
2. Shri Arun Agarwal, Director (Tech.,) MECON
3. Shri Paramjeet Singh, Addl. IA, MoS
4. Shri D. Satapathy, DS, MoS
5. Shri G. Sarathy Raja, DS, MoS
6. Shri T. Mukherjee, Technical Expert

Representatives from Organizations/ Associations

1. Dr. Kanal Gupta, Director, United Drilling Tools Ltd.
2. Shri Govind Sharma, GM, UDTL
3. Shri Anil Kerketta, GM, BHEL
4. Shri Sanjiv Dheer, Head Global Mktg., Jindal Saw Ltd.
5. Shri Avnish Kumar, GM-Mktg., Jindal Saw Ltd
6. Shri Simranjeet Singh, Joint Secretary, STMAI
7. Shri Hitesh Jain, Heavy Metals & Tube Ltd. (STMAI)
8. Shri Shiv Kumar, MSL
9. Shri Prabhat Padhy
10. Ms. Dipti Ganatra, JSPL
11. Shri Shiv Kumar Singh, MSL (STMAI)
12. Shri Hemant Matreja, Sr. Manager Mktg., Maharashtra Seamless Ltd. (STMAI)
13. Shri R.K. Gupta, DMRC
14. Shri Ajay Sharma, MP Metro
15. Shri Sunil Tyagi
16. Shri Sandip Gupta, ED (MM), ONGC
17. Shri Anupam Banerjee, CGM, ONGC
18. Shri M.K.Agrawal, GM (Production), ONGC
19. Shri Sunil Tonk, ISMT Ltd. (STMAI)
20. Shri Yogesh Antil, MoHUA
21. Shri Siddharth Mohanty, JSPL
22. Shri Raveendra Murala
23. Shri T. J. Kale
