

Minutes of the 13th meeting of the Grievance Committee on DMI&SP Policy, held on 04/03/2020 at 10.00 a.m. 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 13th Meeting of the Grievance Committee. Manager (IDD), M/o Steel made a brief presentation highlighting the issues raised by M/s ONGC, Jindal Saw, and Oil India Ltd.

Issues raised by Jindal Saw Limited

3. Representative of Jindal Saw Ltd (JSL) stated that ONGC has floated the International tender no. ZNCLC20001 on 13/02/2020 for the procurement of premium casing pipes & cross overs with due date 27.02.2020 which was later extended to 05/3/2020. ONGC has floated the tender for 27314 tons consisting of 14 groups. Jindal SAW Ltd. has requested that they are able to manufactured 17978 Tons (4 groups out of 14 groups) and may be allowed to bid under DMI&SP Policy and due date may be extended by 4 weeks. JSL submitted the following details of the 4 groups of steel products:

Group	Size & specification	Quantity (T)
1-A	Premium casing pipe, 9-5/8", L-80, 47 PPF	14341
2- A	Premium casing pipe, 9-5/8", P-110, 47 PPF	989
4-A	Premium casing 7", P-110, 29 PPF	1651
5-A	Premium casing 7", P-110, 35 PPF	997
Total		17978

4. Grievance Committee apprised that Standing Committee in its meeting held on 12.07.2019 granted exemption to ONGC upto 11.04.2020 for the procurements. The following decision was made:

‘After the listening the views of the manufacturers the Standing Committee observed that capacity exists in the country for the production of casing, tubing pipes and accessories but bidders are not ready to be registered as a regular bidder and it will take 8-9 months therefore Committee decided to grant exemption for nine months i.e. from 12.07.2019 to 11.04.2020 subject to placement of developmental order (20% of the tendered quantity) on domestic manufacturer for premium casing pipes, premium thread tubing and accessories, 13 Chrome and above premium thread casing, tubing pipes & accessories’

5. It was also pointed out that MoS vide letter dated 26.02.2020 requested ONGC to extend the tender so as to give a fair chance to the domestic manufacturers in case does not hamper their project.
6. However, vide letter dated 27.02.2020 ONGC has informed that they have extended the tender by 7 days i.e. 05.03.2020.
7. Representative of ONGC stated that Jindal Saw had not submitted premium thread cutting license to them at the time of issue of NIT, thus it could not be established that JSL had the capability to supply premium casing pipes as per tender requirements nor it could be concluded that domestic capacity exists for supply of above mentioned products.
8. JSP stated that they have kept ONGC informed of the developments regarding tie up with Hunting Energy, USA since August, 2019. JSL has submitted the copy of the premium thread cutting certificate issued on 17/02/2020 by Hunting Energy to ONGC on 28/02/2020.
9. Representative of ONGC stated that JSL has submitted the license on 28.02.2020 based on that JSL are qualified to bid for this tender.
10. Representative of Maharashtra Seamless Ltd (MSL) stated that they are also in process to have collaboration with M/s Tenaris for thread cutting license. They expect to get the licence shortly and would be eligible to bid under DMI&SP policy.
11. After deliberations, Grievance Committee made following observations:
 - i. Committee observed that nine months exemption was granted by the Standing Committee on 12.07.19 up to 11/04/2020 keeping in mind the fact brought out by ONGC that registration of any vendor as regular bidder would take 8 – 9 month time. The situation has undergone a change and there are now two potential domestic vendors out of which one i.e. JSL has already acquired the capacity to supply 4 groups of products and represented to ONGC for consideration under DMI&SP policy. JSL has also stated that they have kept ONGC informed of the developments regarding tie up with Hunting Energy, USA and also submitted to ONGC the Licence issued by Hunting Energy recently. Committee also noted that MSL is in the process of tie up with Tenaris. Grievance Committee also noted that ONGC has acknowledged that domestic capacity exists in the country for 4 group of products. In view of these developments, the exemption granted to ONGC for these 4 product groups need to be reviewed.
 - ii. **Grievance Committee opined that since domestic capacity has been developed for 4 groups of products, therefore exemption granted to ONGC for these 4 group of products may be withdrawn forthwith as this will be in**

the line with the Government of India initiative towards Make in India. The Grievance Committee also recommends to place the matter before Standing Committee for approval.

Issue raised by ONGC Limited

12. ONGC raised two requests for exemption under DMI&SP policy:

- A. For Drill Pipes
- B. For Regular Casing 14”& 16 “

A) DRILL PIPES

- i) ONGC stated that an international tender No. ZNDMC19003 was floated for the procurement of Drill Pipes. Total five bidders have participated :
 - (a) Maharashtra Seamless Ltd, Haryana
 - (b) Jindal Saw Ltd, Delhi
 - (c) OCTL, Hyderabad
 - (d) DP-Master Manufacturing Pte , Singapore
 - (e) Petro Materials, China
- ii) MSL and Jindal Saw have submitted their offer for development order. Offer of DP-Master Manufacturing, Singapore and Petro Materials, China are not techno-commercially acceptable as per clause 2.2 & 2.13 of DMI&SP Policy.
- iii) Domestic Bidders M/s OCTL is in operational crisis and under insolvency process.
- iv) Representative of ONGC stated that they are examining the request of developmental order placed by MSL and Jindal Saw Ltd.
- v) ONGC requested for the exemption from DMI&SP Policy for the procurement of drill pipes from foreign manufacturers.
- vi) **Grievance Committee opined that ONGC, Jindal Saw, MSL other manufacturers may submit the more facts on the manufacturing capacity and capability so that decision may be taken. The Committee decide to defer this issue till next meeting of the Grievance Committee.**

B) REGULAR CASING 14” & 16”

13. ONGC stated that Regular Casing Pipes i.e. 14” & 16” OD of different grades are required for their offshore field of ONGC. There is no established domestic manufacturer available.

14. In the previous tender for 14” (floated in 2017) size and 16” (floated in 2011) no domestic manufacture had participated.

15. Domestic manufacturer MSL and Jindal Saw are approached by ONGC for supply of these odd size casing pipes. However, they shown their inability to supply the same.
16. They have requested to grant exemption for the procurement of regular casing of 14" & 16" OD size and accessories from foreign manufacturers.
17. Representative of M/s MSL and Jindal Saw confirmed that they are not able to manufacture the 14" & 16" OD regular casing pipes.
18. **The Grievance Committee recommended that since domestic manufacture are not able to manufacture the 14" & 16" OD regular casing pipes, therefore one time exemption (one tender) may be granted to ONGC for the procurement of 14" & 16" OD regular casing pipes. The committee decided to place before Standing Committee for final decision.**

Issue raised by OIL India Limited

19. OIL stated that they have been awarded NELP-IX Block AA-ONN-2010/3 (Area: 171 sq. Km) in Tinsukia District, Assam. As per the standard drilling practice casings are required to be available at site/yard.
20. OIL has floated a global tender on 24.09.2019 for procurement of 5560 mtrs of 9-5", P110 Premium Semi-Flush Seamless Casing to the following prospective manufacturers:
 - i. Jindal Saw Ltd, Delhi
 - ii. Maharashtra Seamless Ltd, Gurgoan
 - iii. OCTL, Hyderabad
 - iv. Hunting services, Singapore
 - v. PT Citra, Singapore
 - vi. Tenaris, Uruguay
 - vii. Atias, USA
 - viii. JFE, Arab Emir.
21. Technical bid opened on 16.10.2019, where following bidders submitted their bids:
 - i. OCTL, Hyderabad
 - ii. Hunting services, Singapore
 - iii. PT Citra, Singapore
22. Only PT Citra Tubindo, Singapore is found to be technically acceptable. Other 2 bidders did not meet the NIT specification and Domestic Bidder OCTL offered Atlas Bradford STL premium connection which is not as per the connection properties mentioned in tender.
23. OIL stated that since the requirement can not met domestically therefore, exemption may be granted for this tender.

24. Grievance Committee opined that domestic manufacturers may submit the more facts on the manufacturing capacity and capability so that decision may be taken. The Committee decide to defer this issue till next meeting of the Grievance Committee.

List of the officers attended the 13th Grievance Committee on DMI&SP Policy, held on 04.03.2020 at 10.00 A.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 Neeraj Agrawal, Director, M/o Steel
- 3) Shri Pritam S. Purkayastha, I/c ERU
- 4) Shri Paramjeet Singh, AIA, M/o Steel

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- 5) Shri S.K. Mohanty, US, IDD
- 6) Shri Amit Singh, Manager, IDD

Representatives from Organizations/ Associations

- 7) Shri A.K.Agrawal,GM,MECON
- 8) Shri S.Sarkar, Group Vice President, Maharashtra Seamless Ltd.
- 9) Shri M.K.Agrawal, GM(Production),ONGC
- 10)Shri K. Ranjan, GM(Mkgt), MECON Ltd.
- 11)Shri A.P Tripathy, ED-AM, ONGC
- 12)Shri Naveen Kumar Jain, Group General Manager, ONGC
- 13)Shri Anindya Chaladan, GM (Mktg), SAIL
- 14)Shri Chandan Arora, Sr. Manager (Mktg.), MSL
- 15)Shri Praksh Joshi, Sr. Asst. STMAI
- 16)Shri Rupak Kalita, DGM(I&P), Oil India Ltd
- 17)Shri Sanjiv Dheer, Head Global, Jindal Saw Ltd.
- 18)Shri Daniel Tan, MD, Hunting Singapore
- 19)Shri D.C. Sinha, President, Steel Tube Mfg. Association