

Minutes of the 19th meeting of the Grievance Redressal Committee under DMI&SP Policy, held on 29th March, 2023 at 12:30 P.M. through VC under the Chairmanship of Smt Ruchika Chaudhry Govil, Additional Secretary, Ministry of Steel.

1. List of Participants who attended the meeting is enclosed as Annexure –I.
2. At the outset, Chairman of the Grievance Redressal Committee welcomed the participants to the 19th Meeting of the Grievance Redressal Committee. Deputy Secretary, M/o Steel, made a brief presentation on the issues raised by various stakeholders.
3. The following issues were discussed in the meeting:

S.No.	Company	Issue
1	ONGC	<ul style="list-style-type: none"> • Procurement of Premium Casing & Accessories • Procurement of 13 Chrome Tubing & Accessories • Procurement of 13 Chrome Casing & Accessories • Procurement of Premium Tubing & Accessories
2	JSL	<ul style="list-style-type: none"> • Alleged discrepancy in the field trial test report provided by ONGC
3	JSL, ISSMA and STMAI	<ul style="list-style-type: none"> • Alleged discrepancy in two tenders issued by BHEL
4	STMAI	<ul style="list-style-type: none"> • Alleged discrepancy in the tender issued by IOCL
5	UDTL	<ul style="list-style-type: none"> • Alleged discrepancy in the tender issues by Cairn Vedanta Ltd

4. ONGC has raised following 4 issues for granting exemption from the provisions of DMI&SP Policy for procurement of these items to be used in High Pressure High Temperature (HPHT) wells through Global Tender Enquiry.

- i. **Procurement of Premium Casing & Accessories:**
 16"OD L-80,
 13-3/8"OD L-80,
 13-3/8" OD P-110,
 7"OD P-110 (for HPHT wells)

Qty: 640 MT

Discussion:

- ONGC has informed that these are to be used for HPHT wells in Andaman and Nicobar Islands.
- Premium casing offers metal-to-metal seal for improved high pressure seal integrity.
- Representative from M/s JSL has informed that they have capability to manufacture premium grade casing but it has not been tested for HPHT wells.
- ONGC has informed that hunting thread connections made by JSL are not in the approved category for HPHT applications. Further, ONGC suggested that JSL may get approved through development orders.
- Also, representatives from JSL and MSL have informed that 16" L-80 casing is not in their manufacturing range.
- Representative from MSL has informed that they are in process of getting premium connection license and would notify ONGC when approved.

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.

ii. Procurement of 13 Chrome Casing & Accessories:

9-5/8" OD L-80 (for HPHT wells)

Qty: 1120 MT

Discussion:

- ONGC has informed that there are no approved domestic manufacturers for 13 Chrome pipes with premium connections.
- Representatives from JSL and MSL have informed that they do not have capability to manufacture 13 chrome with premium connection.

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.

iii. Procurement of 13 Chrome Tubing & Accessories:

2-7/8" OD L-80 (for HPHT wells)

Qty: 150 MT

Discussion:

- ONGC has informed that there are no approved domestic manufacturers for 13 Chrome pipes with premium connections.

- Representative of JSL informed that the connection manufactured by JSL is not approved by ONGC. For which ONGC suggested Development order route. ONGC also informed that they have upgraded to CAL IV connection.
- JSL informed that they will take up this matter with their technological partners.
- Representative from MSL also informed that they have capacity to manufacture the tubing of required size but do not have capacity to manufacture required connection.

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.

iv. Procurement of Premium Tubing & Accessories:

2-7/8" OD, P-110

Qty 150 MT

3-1/2" OD, P-110

Qty 700 MT

Discussion:

- ONGC has informed that there are no approved domestic manufacturers for the both the sizes. It was also stated for deep water exploration and HPHT application. ONGC has upgraded the connection to CAL IV. The earlier procurement of 2-7/8" OD, P-110 from M/s ISMT (Pune) was CAL II connection which is no longer approved.
- Representatives of JSL and MSL informed that the connection provided by them are not approved.
- Representative from ISMT (Pune) confirmed that they have provided CAL II connection pipes.
- Representative of JSL requested ONGC to provide development order for CAL IV connections to ensure indigenisation. ONGC informed that it will discuss it with their technical team.

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.

5. JSL has raised concerns about the field trial test report provided by ONGC. In the 18th meeting of Standing Committee held on 20.03.2023 ONGC was directed to share the field trial test report with JSL. JSL received the report stating that the performance of the supplied pipes was not satisfactory due to operational issues.

Discussion:

- JSL while highlighting the inordinate delay in providing the field trial test report has alleged that:
 - ONGC didn't report any difficulty in thread tightening while trial was carried out. Also, ONGC has not provided any measurement data on bend of casing lengths.
 - Supplied casing complied with all the technical parameters of contract and relevant specifications and worked properly in one well and there were issues in the other.
- JSL requested that the performance of the casing may be reconsidered by doing fresh trial as non-conformance was not attributed to product quality but rather to operational issue at well site.
- ONGC has informed that in subsequent letter to JSL, it has provided details and invited team from JSL to have technical discussions.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee directed ONGC to share requisite details with JSL by 10th April, 2023 and suggested that a meeting of technical teams can be held by 20th April, 2023.

6. JSL, ISSMA and STMAI have raised grievance regarding the global tender of BHEL (Reference No. 15-2300001) for supply of seamless boiler tube of various grades including Stainless Steel Grade i.e., Super SUP 304. It was alleged that BHEL has opted for global tender even when there is adequate domestic manufacturing capacity available and the value of tender is below 200 crores.

Discussion:

- It was informed by representatives of JSL, ISSMA and STMAI that there is adequate capacity available domestically. Also, representative of Ratnamani informed that they have been requesting BHEL to visit their facility to examine the production capability.
- Representative from JSL also pointed out that BHEL has clubbed together carbon steel, alloy steel, seamless steel and stainless steel even though most of the producers for these items are manufacture one of these items specifically. It was also informed that earlier the tender supply of seamless boiler tube of stainless-steel Grade used to be a separate tender.
- In reply BHEL has informed that:
 - The tender is compliant with DPIIT's Make in India provisions and preference is provided to class-I local supplies. Also, BHEL is regularly engaging with domestic manufacturers through SAMVAAD.
 - It is a contractual requirement as BHEL is procuring the tubes for manufacture and production of boiler components which will be sold to NTPC (Talcher project).

- BHEL also informed that items were clubbed together to ensure procurement in one go as speed of response along with competitive prices are critical for business model of BHEL.
 - BHEL also informed that for stainless steel SUP304, M/s Tubacex is being developed and M/s Welspun is being considered.
 - On the issue of domestic capability, BHEL requested for supporting documents from the domestic manufacturers.
- M/s Welspun informed that they also have the capability to produce the required items and have informed BHEL about the same.
 - Further, the import of mother hollows from land border sharing countries (especially China) under the pretext of being raw material was also contested by JSL and ISSMA.
 - JSL, ISSMA and STMAI invited BHEL to examine the production capabilities and BHEL accepted the offer.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee recommended that BHEL should try to keep the domestically manufactured products separate and stated that the provisions of DMI&SP policy are to support the domestic industry. Further, Grievance Redressal Committee recommended that BHEL extend the last date of tender by 15 days i.e. till 15th April, 2023 and review domestic capabilities. On the issue of importing mother hollows under the pretext of raw material, it was suggested that the issue may be taken up separately.

7. STMAI has raised grievance regarding the global tender of BHEL (Reference No. 15-2300002). STMAI had informed that there is adequate domestic capacity available in the country to meet the requirement of BHEL.

- In reply BHEL has informed that:
 - It is a contractual requirement as BHEL is procuring the tubes for manufacture and production of boiler components which will be sold to NTPC (Talcher project).

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee recommended that BHEL should extend the last date of tender by 15 days i.e. till 15th April, 2023 and review domestic capabilities.

8. STMAI has raised grievance regarding the tender of IOCL (dated 08th July, 2022) for procuring seamless pipes (qty 15000 MT). STMAI had informed that IOCL has allowed traders to bid on the tender without obtaining backup letter from manufacturers. Also, that the L1 bidder was a trader who backed out and subsequently, the tender was re-floated but without changing any terms and conditions. STMAI requested that either backup letter from approved manufacturers

should be obtained by traders before bidding or their should be limit on the quantity supplied by a trader based on balance sheet or past performance of the trader.

Discussion:

- IOCL stated that the tender was floated for the project in Panipat in and EIL as consultant/executing agency.
- There is no restriction of only manufacturers. And due care was taken that only Indian manufacturers are allowed even if through traders.
- Representative from JSL informed that no trader requested for a backup letter from JSL. Further, it was stated that traders may exploit the loopholes of the DMI&SP policy.
- IOCL informed that EIL maintains list of approved domestic manufacturers and traders and accordingly, only those traders are allowed to participate in the tender.

Recommendation of Grievance Redressal Committee

Grievance Redressal Committee stated that traders are also integral part of the domestic steel sector and as only EIL approved vendors/traders participated in the tender. IOCL may go ahead with tender.

9. UDTL had raised issue regarding the tender of Cairn stating that as the project is a Joint Venture of Cairn with ONGC, the DMI&SP Policy should be applicable in the subject tender. In the 18th Grievance Redressal Committee meeting it was directed to defer this issue till clarifications are received from ONGC and DGH. Further, UDTL was directed to submit more documents to redress this issue.

- Representative of UDTL were unable to join the meeting due to medical reasons and requested that the matter may be taken up in the next meeting.

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

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1. Smt. Ruchika Chaudhry Govil, Additional Secretary, M/o Steel - Chairman
2. Shri Parmjeet Singh, AIA, M/o Steel
3. Shri Arun Agarwal, Director (Technical), MECON Ltd.
4. Shri G. Sarathy Raja, Deputy Secretary, M/o Steel
4. Shri Sandip Gupta, ED (MM), ONGC
5. Shri M.K.Agrawal, GM (Production),ONGC
6. Shri Sanjiv Dheer, Head Global Mktg., Jindal Saw Ltd.
7. Shri Hemant Matreja, Maharashtra Seamless Limited
8. Shri Sanjay Trivedi, Maharashtra Seamless Limited
9. Shri Sunil Tonk, ISMT Pune
10. Shri Avnish Srivastava, NTPC
11. Shri A K Chhabra, NTPC
12. Shri Prakash Tatia, ISSMA
13. Shri Vipul, Welspun
14. Shri Vijay Kaul, Ratnamani
15. Shri P H Bhat, Ratnamani
16. Shri Hitesh
17. Shri Anuj Burakia, Welspun
18. Shri Udayan Kumar
19. Shri MK Asthana
20. Shri PV Anand
