

Minutes of the 17th meeting of the Grievance Committee under DMI&SP Policy, held on 10th August, 2021 at 04:00 P.M. through video conferencing 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 17th Meeting of the Grievance Committee. Director, M/o Steel made a brief presentation about issues.
3. **OIL INDIA LIMITED:**

Procurement of Drill Pipe (5 inch OD Grade G-105, S-135 and 2.7/8 inch OD Grade S-135), Weight: 643.26 MT, Value 26.65 cr:

- a. OIL has informed that development order for the said items has been placed on domestic manufacturers i.e. JSL & MSL in July – September, 2020. Product is yet to be supplied by them against these development orders. Till such time OIL has requested for the exemption to float GTE to meet its requirement. After the grant of exemption, material will be delivered within 9 months and same will be utilized by them within 2 years after receipt.
- b. JSL informed that for 2.7/8" S-135 Drill pipe supply has been completed on 13.07.2021 and MSL has informed that supply will be done by 15th August 2021. For 5 " G-105 Drill pipe & 5 " S-135 Drill pipe, JSL has informed that delivery is scheduled by September, 2021. MSL has informed that they will deliver the products by 15.01.2022.
- c. During the discussion, OIL stated that JSL has completed successfully the trial for 2.7/8" OD S-135 drill pipe. Further, 5" G-105 and 5" S-135 have been successfully tested at ONGC. In view of this development OIL would like to withdraw the request for exemption.
- d. **In view of the successful development of the items and withdrawal of request of exemption from OIL, Grievance Committee decided to drop the item from consideration.**

4) Procurements of Heavy Weight Drill Pipe (5 inch and 4.1/2 inch) Weight: 190.92 MT, Value: Rs. 13.10 Crore:

- a. OIL has informed that Heavy Weight Drill Pipe (5 inch and 4.1/2 inch) is being procured through ICB only. Earlier they were sourcing this product from domestic manufacturer M/s OCTL, Hyderabad but due to insolvency of OCTL they are not able to procure domestically. After the grant of exemption material will be delivered within 9 months and item will be utilized within 2 years after receipt. OIL informed that Domestic manufacturers JSL & MSL have informed that they do not have licence to manufacture this item.
- b. Chairperson, Grievance Committee requested domestic manufacturer to develop this item domestically. Representative of JSL stated that as of now this item is not in their manufacturing scope but they are in the process to develop this item.
- c. **After deliberation, Grievance Committee observed that no domestic manufacturer is available for supply of this item post insolvency of M/s OCTL. In view of this, Grievance Committee recommended to grant exemption for the procurement of this product. Grievance Committee also advised M/s JSL & M/s MSL to develop this item at the earliest especially in view of the fact the the product was being manufactured domestically. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.**

5). Procurement of Premium Threaded Casing and Accessories (5.1/2 Grade N 80 and P110) Weight: 5,972.23 MT, Value: Rs. 96.31 Crore.

- a. OIL has informed that so far this item has been procured through ICB only. They have uploaded the specifications of these items on GeM portal but no domestic bidder has expressed their interest.

- b. OIL has requested for the exemption for the procurement of premium threaded casing and accessories (5.1/2 Grade N 80 and P110). After the grant of exemption material will be

delivered within 9 months and item will be utilized within one year of receipt.

- c. OIL stated that they have amended the specification of the premium connection of this item. M/s JSL has already supplied higher size of the item to ONGC. Therefore, JSL is eligible to bid for the item. In view of this, OIL stated that they would like to withdraw the request for exemption for this item. They would now go for domestic tender. Representative of JSL stated that they have got the licence to manufacturing this item. They have executed the order for ONGC for similar product.
- d. **In view of the withdrawal of request of exemption from OIL, Grievance Committee decided to drop the item from consideration.**

ONGC LIMITED

6. Procurement of 13 Chrome Tubing 2-7/8" OD L-80 and accessories qty 1100 MT value 70 cr.:

- a. ONGC had floated ICB tender no. ZNTLC19003 on 25.11.2019 for the procurement of this item. No domestic bidders had participated. ONGC has requested for the exemption under the DMI&SP Policy. It will take approx. 3 months for placement of order from the date of exemption. Delivery of material will take approx. 9-10 months and material will be utilized within one year after receipt.
- b. ONGC has informed that domestic manufacturers do not have authorization to cut premium threads for 2.7/8" OD tubing size. Developmental order for 3-1/2" OD 13 Cr was placed on M/s JSL on 01.04.2020. During trial test, the item supplied by JSL has failed.
- c. Representative of ONGC has informed that the 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.
- d. Representative of JSL stated that they are discussing the matter of failure of 3-1/2" OD 13 Cr tubing size with ONGC. ONGC is likely to test the item in another oil well. JSL confirmed that they do not have licence to cut the premium thread for 2.7/8" size.

- e. Representative of OIL stated that they have placed developmental order on JSL for 2.7/8" OD 13 Cr tubing however they have not received the material yet.
- f. It was informed by ONGC that the proposed procurement of this item is only for one cycle. In case the development order of JSL for 2.7/8" OD 13 Cr tubing is successful they can go for domestic tender. However, ONGC requested for one-time exemption. The import of this item is likely to take 9 months to 1 year.
- g. **After deliberation, the Grievance Committee noted that the material against development order for 2.7/8" OD 13 Cr tubing is yet to be supplied by JSL and it will take some more time for installation, testing and trial. In view of the above, Grievance Committee recommended to grant one-time exemption to ONGC for this item. The Grievance Committee decided to place the matter before the Standing Committee under DMI&SP Policy for consideration.**

7. Procurement of Premium Tubing 2-7/8" OD P-110, 4-1/2" OD L-80 & 5-1/2" OD L-80 premium Tubing and Accessories (qty 1000 MT value 20 cr)

- a. ONGC has stated that the present requirement is for three sizes i.e. 2-7/8", 4-1/2" & 5-1/2" OD Premium tubing for offshore. The license/authorisation to cut any of the acceptable premium connections is not available with indigenous manufacturer for tubing sizes 2-7/8" & 5-1/2" OD. No development order has been sought for these items
- b. ONGC has informed that JSL has authorization to cut premium thread for 4.1/2" OD tubing size but ONGC cannot place order for this item on JSL as item supplied by JSL against developmental order for 3-1/2" OD 13 Cr tubing has failed. ONGC further stated that they would need the testing data from JSL / Hunting Energy for the 2.7/8" and 5.1/2" size.
- c. JSL stated that they will provide the testing data to ONGC at the earliest.
- d. CMD, MECON stated that offshore applications are very critical and development order should meet all the safety requirements before the placement of regular order. Therefore, one-time exemption may be granted to ONGC.
- e. After detailed deliberation, Grievance Committee decided to recommend one-time exemption for the procurement of Premium Tubing 2-7/8" OD P-110, 4-1/2" OD L-80 & 5-1/2"

OD L-80 premium Tubing and Accessories. The Grievance Committee decided to place the matter before the Standing Committee for consideration.

8) 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 qty 8061 MT

- a. ONGC invited ICB Tender No. ZNCLC20001 for procurement of these Premium Casings along with accessories on 13.02.2020. No domestic bidder participated in this tender and requested for the exemption under the DMI&SP Policy.
- b. 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.
- c. M/s JSL has sought development order for Casing 13.3/8" 68 ppf Grade Q125 on 22.12.2020 from ONGC. ONGC has informed that the said casing pipe is not used by ONGC & also non API-5CT casing, hence development order cannot be placed.
- d. With regard to 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint), these are Flush type Joints which are not available in India.
- e. Representative of JSL stated that we have procured the raw material in advance so that we can supply on time. For the flush joint they don't have facility.
- f. Representative of MSL stated that they also don't have facility to manufactures.
- g. **After listening the views of the stakeholders, Grievance Committee recommend to grant exemption for the procurement of 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. The Grievance Committee decided to place the matter with Standing Committee for the final decision.**

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 qty 8061 MT

- a. ONGC had invited ICB Tender No. ZNCLC20001 for procurement of these Premium Casings 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)

- b. ONGC has offered 13-3/8" OD, Q-125, 72 ppf BTC Casing pipe for development order to M/s JSL on 02.07. 2021 with delivery by 15th Oct 2021. Acceptance from M/s JSL received on 08.07.2021. Development order being processed.
- c. Besides M/s JSL, no other domestic manufacturers have authorisation/ license to cut any of the approved premium threads for 9-5/8" OD Q-125 & 7" OD Q-125 Casing sizes. For other items no domestic manufacturer has license/authorisation to cut any of the acceptable premium connections.
- d. As it is likely to take 6 months (including field trial testing), one-time exemption is sought by ONGC to meet the immediate requirement of 9-5/8" & 7" OD Casing sizes. With regard to 5" OD P-110 (Flush Joint) and 5" OD L-80 (Flush Joint), these are Flush type Joints which are not available in India. JSL confirmed the same.
- e. **Grievance Committee observed that as of now these items are not available domestically. In view of this, Grievance Committee recommended to grant one-time exemption to ONGC for procurement of these items. Grievance Committee decided to place the matter before the Standing Committee for consideration.**

9) Drill Collars of various sizes (value 9 Cr.)

- a. ONGC has floated GeM tender no. GEM/2021/B/1184809 dated 29.04.2021. No domestic bidder participated in the tender. ONGC has informed that No domestic manufacturer is available for this item and requested for the exemption to import.
- b. JSL and MSL stated that they are not manufacturing this product. Chairperson Grievance Committee emphasized that it should be the endeavour of domestic manufacturers to develop items which are not being produced domestically.
- c. **Grievance Committee observed that these items are not available domestically. In view of this, Grievance Committee recommended to grant one-time exemption to ONGC for procurement of Drill collars of various sizes.**

Grievance Committee decided to place the matter before the Standing Committee for consideration.

10) United Drilling Tools Limited

Procurement of Wireline Retrievable Gas Lift Equipments

- a. UDTL stated that ONGC has floated tender No. ZNEPC21001 dated 07.05.2021 through ICB for procurement of Wireline Retrievable Gas Lift Equipment. Development order has been placed for these items by ONGC on UDT in 2018. The material was manufactured and supplied by UDT to ONGC after due inspection.
- b. It was informed by UDTL that single development order for 1" & 1.5" valves was placed by ONGC on UDTL. UDTL also informed that ONGC have issued Field Performance Report for 1.5" and 1" GLVs and as per this report ONGC has rejected 1" GLVs due to leakage however 1.5" GLVs performance is satisfactory and oil well is flowing properly after testing all the required tests to be done by ONGC by 5.4.2021. UDTL informed that it has already been 4-5 months since these valves are under testing by ONGC Ankleshwar Asset. Further, ONGC has rejected both the items in the performance report.
- c. Representative of ONGC informed that testing of 1.5" is still not completed and they will inform the status only after issue of final report which may take 6 months. ONGC have indicated that 1" GLV is not working satisfactorily due to minor leakage problem. Representative of ONGC stated that trial testing is still continuing for 1.5" GLV and they require another 6 months to conclude the report of 1.5" GLV.
- d. UDTL stated that both 1" and 1.5" valves are used in separate tubing strings and separate oil wells against separate tenders and have no relation with each other with regard to operation or procurement of these valves. Therefore, 1.5" and 1" valves are procured separately and used separately. UDTL further explained that it has always been ONGC's procedure in the past that they issue only one Field Trial Performance Report regarding the success or failure of the product under field testing and it usually takes 2-4 weeks to complete the testing procedure. Further, it is nowhere mentioned in the ONGC Field Testing Report that it is an interim report and not a final report.

- e. UDT requested that ONGC may be asked to cancel this tender and float domestic tender for these items through GeM and UDT may be given an opportunity to bid for this tender.
- f. After the deliberations, Grievance Committee requested ONGC to clarify the following:
 - i. Whether the performance of 1" & 1.5" GLVs is linked and whether these items cannot be procured separately.
 - ii. The present status of trial report of 1.5" valve, whether it is approved, rejected or still under testing. If it is still under testing, why the test report does not mention that? when is the final report expected?

Meeting ended with vote of thanks to Chair.

Annexure- I

List of the officers attended the 17th Grievance Committee on DMI&SP Policy, held on 10th August, 2021 at 4 P.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 Atul Bhatt, CMD, MECON Ltd.
3. Shri Neeraj Agrawal, Director, M/o Steel
4. Shri Vinod Bahade, Director, M/o Steel
5. Shri Parmjeet Singh, AIA, M/o Steel

Representatives from organizations/ Associations

6. Shri Arun Kumar Agrawal, Director, MECON
7. Smt. Binita Deka Borah, GM, OIL
8. Smt. Anita Dam, GM, OIL

9. Shri Rupak Kalita, DGM, OIL
10. Shri Sanjiv Dheer, Head (Mktg), Jindal Saw Limited
11. Shri Anupam Banerjee, CGM, ONGC
12. Shri M. K. Agarwal, GM, ONGC
13. Shri P. K. Gupta, MD, UDT
14. Shri Kanal Gupta, Director, UDT
15. Shri Avnish Kumar, GM, Jindal Saw Limited
16. Shri Shiv Kumar Singhal, President, Maharashtra Seamless Limited
17. Shri Hemant Matreja, DGM, Maharashtra Seamless Limited