

Minutes of the Sixth meeting of the Grievance Committee on DMI&SP Policy held under the Chairmanship of Shri Sunil Barthwal, Joint Secretary, Ministry of Steel on 12.04.2018 at Udyog Bhawan, Ministry of Steel

1. The list of participants who attended the meeting is at *Annexure-I*
2. At the outset, Chairman welcomed the participants in the 6th meeting of the Grievance Committee.
3. On behalf of Ministry of Steel, MECON made a brief presentation on the issues raised by M/s ONGC, Indian Oil, Engineers India Ltd./EIL, Ratnamani Metals & Tubes Ltd., Jindal Steel & Power Ltd. (JSPL), Wave Suspension Systems (India) Pvt. Ltd., United Drilling Tools Ltd. and Stainless Steel Pipes & Tubes Manufacturers Association (SSPTMA).

Issues raised by ONGC

4. ONGC has requested for waiver for 15 Chrome & above grades of premium thread tubulars along with 25 Chrome premium thread tubing with cross overs and pub joints which are required for their operations in Mumbai Offshore & KG DWN 98/2 NELP block located in KG offshore. According to them, 15 Chrome & above grades, being of higher quality than 13 Chrome, are not being manufactured in India.
5. ONGC stated that no Indian manufacturer is willing to supply. They have even corresponded with Jindal Saw Ltd., but probably due to over booking; they seem to be not interested.
6. **The Committee suggested that for such products, based on the projects currently at hand and anticipated future project requirement, the project proponent must make a demand assessment with next 5 years projection. Same should be hosted in their website as well as information to be disseminated to the industry association so that necessary capability and capacities are created in the country.**
7. **In the instant case, however ONGC, needs to show that they have invited RFQ/tenders for these products but no Indian manufacturer has responded. Based on that information, the matter would be placed before the Standing Committee for taking a final decision with regard to grant of waiver.**

Issues raised by Indian Oil & Engineers India Ltd.

8. IOCL & EIL have informed that they are putting up projects in its various refineries to produce BS-VI fuel. As part of project procurement, specific grades of steel are required in the refineries. The specific grades of steel are not manufactured in India and have to be imported. At times, even if some of them are manufactured in India, they are not offered by the manufacturers

for the quantity being very less, to take up production. On this ground, they have requested for the waiver for the following grades of steel required for various refinery projects to produce BS-VI fuel as well as assorted quantity of pipes less than 1000 metre as per grades mentioned below :

- i. A 106 Gr B carbon steel seamless pipe above 14"
- ii. A312 Stainless steel seamless pipe above 8"
- iii. A335 Alloy steel seamless pipe above 10"
- iv. A335 Alloy steel pipe seamless with grade P91
- v. Duplex/super duplex stainless steel pipe with Grade 32101, 31550, 32304, 31260, 32760, 32205, 31803, Super Austenitic 31254, 904L, Stainless steel 31050, 310MoLN, Ferritic & Martensitic Grade 420, 430, 446, 439
- vi. Nickel & Nickel Alloy Grade 600 & 800 series and Monel Grades
- vii. Copper Nickel pipes EEMUA – 144 UNS 7060X (90-10Cu-Ni)

9. IOCL & EIL informed that they have a system of enlistment of vendors for the supply of specific product. They also maintain a separate list of vendors and upload the same on their website about the requirement of new products. As per the vendors registered with them, there is no Indian supplier/manufacturer for the above products. They also stated that for some products, even though manufactured in India, domestic manufacturers are not always interested to quote probably due to the fact that the requirement of these products is in small quantities. It was also informed by them that their recent Request For Quotation (RFQ) did not yield response from any Indian manufacturer.

10. It was informed that for the grade of steel under item no. (i) i.e. A106 Gr B carbon steel seamless pipe above 14", Maharashtra Seamless Ltd. has the capability of supplying up to 20" pipe in Sch 40 size only. However, they seem to be the only manufacturer and therefore, job can not be awarded on nomination basis due to single supplier issue. Further most of the items at sl. no. ii) to v) are manufactured in round bars by companies like Jindal Stainless Ltd., however their further processing into pipes of diameter above 8"/10" etc. is probably not done currently in the country.

11. Regarding items at Sl. No. vi) & vii), it was decided that since the materials are basically high Nickel-Chromium based super alloys where iron content is less than 10 %, such materials do not come under Iron & Steel category and therefore are not covered under this Policy.

12. After deliberations, the Committee was of the view that the matter regarding waiver in respect of grades mentioned in (i) to (v) above has merit and may be referred to the Standing Committee for final decision.

Issues raised by Ratnamani Metals & Tubes Ltd.

13. Ratnamani Metals & Tubes Ltd has requested for inclusion of welded titanium tubes and seamless Inconel & Incoloy tubes & pipes under DMI&SP Policy as they have developed capability to manufacture them indigenously.

14. **The Committee opined that DMI&SP Policy covers only iron & steel products. Since titanium tubes as well as Inconel & Incoloy tubes & pipes (*Ni-Cr based super alloys having iron content less than 10%*), do not qualify as Iron & Steel products, therefore, they can not be included under DMI&SP Policy. The committee suggested them to explore benefits concerning these under DIPP Policy.**

Issues raised by Jindal Steel & Power Ltd. (JSPL)

15. JSPL raised the issue of rejection of their bids for the tender for supply of 4213 tonnes of head hardened rails for Line - 7 Corridor [Andheri (East) – Dahisar (East)] of Mumbai Metro Rail Project of MMRDA, Mumbai due to not meeting the minimum financial eligibility criteria and also due to not submitting the Banker's certificate in the format prescribed in the Bidding Form of the tender.

16. **The Committee decided that the matter is not related to any restrictive condition as such but relates to other issues and therefore suggested that JSPL may take up the issue with the concerned department. JSPL needs to come to this Committee only if it shows that such conditions are restrictive and exclusive for domestic manufacturer.**

Issues raised by M/s Wave Suspension systems (India) Pvt. Ltd

17. The company requires low gauge pre-painted steel sheets (Pre-painted galvanised iron i.e. PPGI) of thickness ranging from 0.18 – 0.43 mm, with certain quality requirement such as low gloss, ΔE value and OT bend properties. The company seems to have contacted many Indian steel suppliers such as JSW, National Steel & Agro Ind. Ltd., etc., but are unable to get any positive response. It transpired that the aggregated steel value of the project was less than Rs. 50 Cr.

18. **The Committee observed that since the project value was less than Rs. 50 crores, as informed by the Company, the DMI&SP Policy shall not apply in this case.**

Issues raised by United Drilling Tools Ltd (UDT).

19. UDT is a small scale enterprise engaged in design, development and manufacturing of equipment, tools and special purpose machines exclusively to meet oilfield equipment requirement of ONGC. UDT has designed API grade seamless steel tubes- connectors/couplings to provide a long chain of casing pipes for drilling purpose in oil exploration and production which are required by ONGC, Oil India Ltd. The company also uses blooms as inputs to manufacture couplings which are subsequently welded to pipes. UDT has requested for inclusion of connectors/couplings along with all types of pipes/tubes in the finished steel list by modifying Appendix-A of DMI&SP Policy.

20. **The Committee decided to place the matter before the Standing Committee to give direction on the above.**

Issues raised by Stainless Steel Pipes & Tubes Manufacturers Association (SSPTMA)

21. Representative of SSPTMA was not present in the meeting. However, based on the representation received from SSPTMA earlier, the Committee observed that by raising the issue of non-availability SSPTMA is seeking amendment to Appendix-A of the DMI&SP Policy to include mother pipes along with blooms under input.

22. During discussions, Ratnamani Metals & Tubes clarified that they have a much higher production capacity i.e. 10,000-12,000 tonnes/month and they are fully capable to supply mother pipes to local domestic industry. In fact their present capacity is hardly getting utilised (only about 40-50%). According to them, no industry or association has n2ever approached them for supply of mother pipes

23. **The Standing Committee had considered the similar matter in its meeting held on 21st June, 2017 and had decided that all kinds of pipes and tubes have been defined as a finished product in Appendix- A of the policy at Sl. 9. Therefore, mother pipe can not be considered as an input material. Hence, work like welding/fixing of connectors on a finished product can not be considered for claiming value addition. The value addition has to be shown in manufacturing of mother pipe.**

Meeting ended with the vote of thanks to the chair.

1. Shri Sunil Barthwal, Joint Secretary, M/o Steel
2. Shri Atul Bhatt, CMD,MECON
3. Shri Pritam S. Purkayastha, DGM (TTD) & OSD to Secretary (Steel)
4. Shri R.K. Gupta, Under Secretary, M/o Steel
5. Shri A.K. Agrawal, GM(TS), MECON
6. Dr. Manjeeta Singh, Consultant, ERU/JPC
7. Shri Punit Gupta, AGM – IT & HRD, ERU/JPC
8. Shri S. P. Bist, Section Officer, ID Division, M/o Steel
9. Shri Amit Singh ,DM, ID Division, M/o Steel
10. Shri A Nagia, ED- Chief (MM), ONGC
11. Shri N.S. Hunjan, GGM(D)- Head (P&E), ONGC
12. Shri S. Vishwanathan, ED(MM), ONGC
13. Shri Neeraj Kumar, GM (MM), ONGC
14. Shri S. Chopra, ED (Project), IOCL
15. Shri Manoj Bajaj, CGM (Project), IOCL
16. Shri A K Chaudhary, ED (SCM), EIL
17. Shri Rajeev Gupta, CGM (Projects), EIL
18. Shri Rajeev Kumar, Sr. GM, EIL
19. Shri Vijay Kumar Chama, EVP (S&M), Jindal Steel & Power Ltd.
20. Shri Prakash Duvuuri, Manager-Corporate, JSW Steel Ltd.
21. Shri Kailash Beedkar, Sr. Manager (SCM) , Wave Suspension Systems (I) Pvt. Ltd., Pune
22. Shri Umesh Deshpande, GM, Wave Suspension Systems (I) Pvt. Ltd., Pune
23. Shri P H Bhatt, Business Head (SS Div.),Ratnamani Metals & Tubes Ltd.
24. Shri Vijay Kaul, Sr. GM, Ratnamani Metals & Tubes Ltd.
25. Shri Pramod Gupta, CMD, United Drilling Tools Ltd.
26. Shri Gyanveer Singh, VP (Marketing), United Drilling Tools Ltd.