Draft Minutes

Minutes of the meeting held on in DGFT (HQ), Udyog Bhawan, New Delhi to finalize the quantum of (i) Calcined Pet Coke (5 Million MT) for Aluminium Industry and (ii) Raw Pet Coke (1.4 Million MT) for CPC manufacturing to be allotted in pursuance to the Public Notice No. 81 dated 22.3. 2019

In Chair, Shri K.C. Rout, Additional DGFT

The following officers attended the meeting:

- i. Dr. Priti Singh, Scientist 'C', M/o Environment, Forest and Climate Change (MoEF&CC)
- ii. Sh. Rajan Kapoor,GM, Coord. MoP&NG
- iii. Sh. Santanu Dhar, Under Secretary (Refin.) M/o P&NG
- iv. Shri Arun Sehgal, GM (IB), Indian Oil Corporation Ltd.
- v. Shri S.P. Roy, Joint DGFT, DGFT

2. At the outset, the Committee noted that in pursuance of the Public Notice no 81. dated 22.03.2019 (**Annexure-1**) 4 applications were received for import of Calcined Pet Coke (CPC) and 10 applications for Raw Pet Coke (RPC) (**Annexure-2**). The Committee noted that the Hon'ble Supreme Court in Writ Petition No. 13029/1985, vide its order dated 4th October, 2018 has decreed that the import of pet coke for Aluminium Industry cannot exceed 0.5 Million MT per annum in total. Similarly import of Raw Pet Coke for CPC manufacturing Industry cannot exceed 1.4 million MT per annum.

Calcined Pet Coke (CPC) for Aluminium Industry

3. Accordingly, the Committee decided to make the annual allocation for both, import of Calcined Pet Coke and Raw Pet Coke for the fiscal year 2019-2020. The Committee noted that for Calcined Pet Coke, M/s. National Aluminium Co. Ltd. and M/s. Hindalco Industries Ltd. (for their Plant in UP) have not indicated the quantity of imported CPC required on TPD basis, while the same is available for M/s. Vedanta Ltd. and for Hindalco's plant at Orissa and M.P. The Committee, accordingly, decided that M/s. National Aluminium Co. Ltd. and Hindalco (for their UP Plant) may be asked to submit the quantity of imported CPC required for their plants on TPD basis by the 15th of April, 2019 (6.00 p.m). Further, as Bharat Aluminium Co. Ltd. has submitted

an SPCB Certificate whose validity is only till 20.02.2019 the Committee decided to seek from all the four applicants, their latest SPCB certificates which the applicants must submit by 15th April, 2019 (6.00 p.m) .

Raw Pet Coke for CPC manufacturing

4. While considering the allocation for the quota of 1.4 MT for Raw Pet Coke, the Committee observed that there are 10 applicants. It, however, noted that M/s. Refratherm International Pvt. Ltd. has applied on 02.04.2019 i.e. after the last date of 31.03.2019. The Committee accordingly decided to reject the case. It further observed that M/s. Rain CII Carbon (Vizag) Ltd. has submitted additional requirement of 4,88,000 MT of RPC for its AP SEZ Visakhapatnam Plant, which is yet to be operational. Similarly, M/s. Sanvira Ltd. has submitted its requirement for meeting the additional capacity of 1,30,000 MT. The Committee further observed that M/s. Rain CII Carbon (Vizag) Ltd. and M/s. Sanvira Industries Ltd. were both petitioners before the Supreme Court of India in case No. 13029/1985, wherein on hearing the matter the Hon'ble Bench vide its order dated 28.01.2019 has observed as under:

> *"...that the order dated 09.10.2018 passed by this Court is clear. This Court has set the outer limit for import of raw pet coke cannot exceed 1.4 MT per annum in total. In view of the aforesaid, prayers made on the basis of expansion etc. are totally misconceived and cannot be entertained. No further orders are required to be passed on these I.As. i.e. I.A. Nos. 168847/2018, 1451/2019 & 1847/2019 (filed on behalf of Rain CII Carbon (Vizag) Ltd.], I.A. No.164303 (filed on behalf of Saket Agarwal), I.A. No.12291/2019 (filed on behalf of Sanvira Industries Ltd.) and I.A. No.13210/2019 (filed on behalf of Goa Carbon Ltd.). The same are hereby dismissed."*

5. The Committee having noted that the request for additional requirement of Raw Pet Coke by these two applicants have been set aside by the Hon'ble High Court, observed that based on the Court Order, which neither of the applicants have informed about, it cannot grant any extra quantity based on the new capacity added by these two firms after the date of Order of the Supreme Court dated 09.10.2018.

6. The Committee examined the SPCB certificates of all the eight applicants for RPC imports. On examination, Committee observed that the SPCBs have adopted varying conversion rates for calculating the requirement of RPC for producing CPC, in their Consent to Operate (CTO) certificates. The Committee also noted that consumption requirement is not

indicated in SPCB certificates of all industries. To bring uniformity, the Committee decided to allocate RPC by adopting following criteria:

(i) The production capacity of the applicant is to be calculated on annual basis. Wherever, SPCB certificate shows production figures in TPD, the annual production capacity is to be arrived at by multiplying the capacity with 350 days (average operational days for the unit) to bring uniformity.

(ii) The production capacity for each applicant to be converted to input/raw material requirement by taking industry average conversion rate i.e 1:1.36 (as mentioned in the EPCA report;

(iii) The additional capacity added by the applicants after the Hon'ble Supreme Court's order dated 9/10/2018 is not taken into consideration. and

(iv) the quota be divided on a proportionate basis as per the following formula:

Total pet coke available for allotment divided by total input requirement X requirement /demand by a particular applicant.

(v) In cases where requested quantity is lower than eligible quantity, the surplus on their heads are redistributed among others proportionately.

7. Accordingly, based on the above principle, the Committee made the allocation as in Annex-2 of the minutes of the meeting. The Committee further decided that minutes of the meeting may be placed in the public domain for the applicants to represent their grievances, if any, against the principle followed in allocation and submit their representations latest by 15.04.2019 (6.00 p.m.). Based on the representations, if any, Committee will take a decision and allocate the final quota.

With the above decision, the meeting ended with Vote of Thanks to Chair.

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Annexure II

Allocation of Raw Pet Coke (1.4 MT per annum)

In MTs

1	2	3	4	5	6	7	8	9
S.no.	**Name of the Firm**	**Date of receipt of application**	**Quantity applied**	**Production Capacity as per SPCB Certificate submitted**	**Input requirement as per EPCA Report @ 1:1.36**	**Proportionate allocation**	**Proportionate allocation of excess quantity**	**Total allocation of RPC (Col. 7 + Col. 8)**
1.	Rain CII Carbon (Vizag) Ltd.	27.2.2019	11,93,600	5,11,000)	694960	537917	14545	**552462**
2.	M/s Sanvira Industries Ltd.	27.3.2019	4,95,000	2,00,000	272000	210535	5692	**216227**
3.	M/s Goa Carbon	28.3.2019	4,15,800	3,08,000	418880	324224	8767	**332991**
4.	M/s India Carbon Ltd.	30.3.2019	75,600	54,000	73440	56844	1537	**58381**
5.	M/s Neo Carbon Pvt. Ltd.	28.3.2019	50,000	75,000	102000	78950	-	**50000***

6.	M/s Amritesh Industries Pvt. Ltd.	30.3.2019	33,600	24,000	32640	25264	683	**25947**
7.	M/s Kalinga Calciner Ltd.	28.3.2019	80,000	46,200	62832	48633	1315	**49948**
8.	M/s Vedic Petrochemical Pvt. Ltd.	28.3.2019	10,000	18,000	24480	18948	--	**10000***
9.	M/s Petro Carbon And Chemicals(P) Ltd.	29.3.2019	1,40,616	93744	127491	98681	2668	**101349**
					1808723	1399996	35207	**1397305**

- Quantity applied by the applicant is less than the input requirement as per EPCA Report @ 1:1.36