Minutes of the Meeting held on 12.12.2018 at 3.00 pm in DGFT (HQ), Udyog Bhavan, New Delhi to finalize the quantum of (i) Calcined Pet Coke (0.25 Million MT) for Aluminium Industry and (ii) Raw Pet Coke (.70 Million MT) for CPC manufacturing to be allotted in pursuance to the Public Notice No 50 dated 26th November, 2018.

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

The following officers attended the meeting:

i. Shri Noas Kindo, Under Secretary, M/o Petroleum & Natural Gas (MoP&NG)
ii. Dr. Priti Singh, Scientist `C', M/o Environment, Forest and Climate Change (MoEF&CC)
iii. Shri Jitendra Agarwalla, GM-Technical, Indian Oil Corporation Ltd.
iv Shri Arun Sehgal, , GM (IB), Indian Oil Corporation Ltd.
v. Shri H.U. Khan, SM(IB), Indian Oil Corporation Ltd.
vi Shri S.P. Roy, Joint DGFT, DGFT
vii Shri Devashish Bhardwaj, Deputy DGFT, DGFT

2. At the outset, 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. Ministry of Environment and Forests has clarified that the annual quantity limitation on imports will be operated on a fiscal year basis.

3. During discussion, representative from M/o P&NG raised the issue of distributing the quota on quarterly basis, as only three months are left for the fiscal year to end. However, if the Committee allocates the quota for 06 months, this may lead to importers building on stock/ inventory which may result in trading of stock and lead to drop in the price of domestic petcoke, since the domestic production of Petcoke is around 1.5 lakh MT (approx.) and the domestic production should be factored in while making allocation of the raw pet coke.

4. The Committee discussed the issue and concluded that as Order of the Hon'ble Supreme Court was dated 4th October, 2018, out of the total quantity permitted for import per annum, half of it is available to be imported for the period October'18 - March, 2019 (period of six months). Therefore, quantity available for import of (i) Calcined Pet Coke is 0.25 million MT and (ii) Raw Pet Coke is 0.7 million MT and this quantum should be distributed for the entire period of October-March as notified vide PN dated 26 Nov,2018 .The issue of domestic production raised by MoP&NG is beyond the mandate of the committee

Allotment of Raw Pet Coke for CPC manufacturing:

5. The Committee noted that nine applications for import of Raw Pet Coke were received by the 7th of December, 2018 i.e the last date of application as per the Public Notice No 50 dated 26th November 2018. The Committee decided that the available quantity (7 Lakh MT) be divided proportionately in relationship to their production capacity. The production capacity for petitioners was taken from the record placed before the Hon'ble Supreme Court for Six petitioners and for other three applicants as per the Pollution Certificates issued by State Pollution Control Board.

6.It was also decided that principle of proportionality should govern the allocation. It was noted for all the 9 applicants, the total half yearly capacity is coming to 7.02.675 MT and total available quantity is 7,00,000 MT. Accordingly, the Committee decided to allot the quantum of 7 lakh MT amongst the 9 applicants as under:

1	2	3	4	5	6	7
S. no	Name of the firm	Date of receipt of application	Quantity applied for import	Capacity	Half the Annual capacity (as indicated in col.5) in MTs	Quantity of Petcoke allocated in MTs
1	Rain CII Carbon (Vizag) Ltd.	3.12.2018	3,52,145	5,00,000*	2,50,000	248871
2	Sanvira Industries ltd.	6.12.2018	1,83,746	2,00,000*	1,00,000	99548
3.	Goa Carbon Ltd.	6.12.2018	2,07,900	2,65,000*	1,32,500	131902
4.	Kalinga Calciner Ltd.	7.12.2018	42,000	60,000*	30,000	29865
5.	India Carbon Ltd.	7.12.2018	37,800	54,000*	27,000	26878
6.	Petro Carbon and Chemicals (P) Ltd.	5.12.2018	1,40,616	93,750*	46,875	46663
7.	Amritesh Industries (P) Ltd.	6.12.2018	16,800	2800x12=** 33,600	16,800	16724
8.	Brahmaputra Carbon Ltd.	7,12,2018	50,000	1,00,000 **	50,000	49774
9.	Neo Carbons (P) Ltd.	7.12.2018	50,000	1,00,000**	50,000	49774
Total					703175	**699999**
* as indicated before the Hon'ble Supreme Court						
** Consumption capacity as indicated in the Pollution Certificate						

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7. The Committee was informed that consignment of raw pet coke of one of the applicants M/s Rain CII Carbon (Vizag) Ltd. has already arrived in August 2018. The Committee decided that the consignment will be cleared subject to overall limit which is 0.7 million MT.

Calcined Petcoke for Aluminium Industry:

8. Committee noted that Aluminum Association of India was the petitioner in the the Hon'ble Supreme Court, however, applications from only 03 members of the association have been received viz. M/s Hindalco Industries Ltd., (ii) M/s Vedanta Ltd. an (iii) M/s Bharat Aluminium Ltd. The total available quota for Calcined Pet Coke for 06 months is 2,50,000 MT. All three applicants have submitted IEM copy and State Pollution Control Board Certificate. The Committee decided to allot 2,50,000 MT proportionate to their half yearly capacity. Accordingly, the quota allocated for Calcined Petcoke is as under:

S.no	Name of the firm	Date of receipt of application	Quantity applied for import	Capacity as per IEM Certificate in MT	Half yearly capacity	Quantity allocated in MTs
1.	Hindalco Industries Ltd.	6.12.2018	44,000	650000 MT	3,25,000	44,000
2	Vedanta Ltd.	7.12.2018	2,00,000	5,00,000+ 11,00,000	8,00,000	1,78,211
3.	Bharat Aluminium Ltd.	7.12.2018	30,000	72, 500 MT+ 72,500 MT+ 1,00,000 MT	1,22,500	27,288
Total				**24,95,000**	**12,47,500**	**2,49,499**

9. The formula of allotment in both the above Tables is: Total quantity available divided by half yearly capacity of all applicants multiplied by the capacity of the individual applicant further subject to quantity applied for import That is why in the above table at para 9, Hindalco's entitlement was 65,000MT; since they have applied for less (44,000 MT), the same quantity was allotted and the rest was distributed among other two proportionately.

10. The Committee further decided to reiterate the following, as in the Public Notice No 50 (2015-20) dated 26th November, 2018:

(i) Imports will be subject to guidelines laid down by Ministry of Forest and Climate Change issued vide OM No Q-18011/54/2018-CPA dated 10th September, 2018;

(ii) If based on the above allocation, any applicant desires to import part of the allocation or not import at all, the quantity accordingly must be surrendered, under intimation to the Regional authority with a copy to DGFT at **petcokeimport-dgft@nic.in** and import-

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dgft@nic.in.within 10 days of allocation of such quota in order to facilitate distribution of the unutilized quota to other applicants who had applied initially. Failure to import the allotted quantity, will invite penal action, as decided by the competent authority. **The import license/ authorization will be valid till 31.3.2019 only for the purpose of imports.** i.e. consignments must be cleared by customs authorities before this date.

(iii) Review of the quota available, if any, after surrender of the quota by allottees will be held by 4th of January, 2019 ; and

(iv) Holders of the license for import of Pet Coke would keep the RA informed of the details of his import consignments i.e the quantity of import, source, date of import along with details of Bill of entry in respect of each consignment on clearance of goods from Customs. Subsequently, a consolidated report within 30 days of the expiry of import authorization period must be submitted to the Regional Authority, giving consolidated details of all imports made during the period.

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