

TECHNOLOGY AND FINANCE
STANDING COMMITTEE
MEETING

16th November, 2018

AGENDA PAPERS

ADOPTION OF MINUTES OF TFSC MEETING HELD ON 16th FEBRUARY, 2018 AND CIRCULATED TO MEMBERS.

The Minutes of TFSC meeting held on 16th February, 2018 were circulated to all the Members. No comments have been received, the Minutes may be adopted.

Action taken:

The following one application was considered for issuance of duty exemption certificate for import of goods needed for manufacturing activity with non - Ozone Depleting Substance (ODS) technology.

1. M/s Krishna Maruti Ltd.

The applicant gave presentation in support of their project before the Committee which was further discussed in detail and was found suitable for issuance of duty exemption certificate.

Approval of the Chairman, Empowered Steering Committee (ESC) for Implementation of the Montreal Protocol, for decisions taken in the above TFSC meeting was taken next on 5th July, 2018. The ESC approved the projects for issuance of duty exemption certificate to M/s Krishna Maruti Ltd. recommended by the TFSC in its meeting held on 16th February, 2018. The certificate for M/s Krishna Maruti Ltd. has been issued.

Agenda Item No. 1

The application of M/s Arctic Refrigeration Pvt. Ltd., Bhiwadi, Alwar, Rajasthan for duty exemption for import of Brand New Capital Cannon Machinery for the production of Sandwich Panel suitable for Pentane use at their Bhiwadi, Alwar, Rajasthan plant.

M/s Arctic Refrigeration Pvt. Ltd., are one of the Indian company in the field of cold chain products and solutions since 2012. They provided cold storage solutions for facilities including Multi Produce, Palletized, Pre-cooling Rooms, controlled Atmosphere (CA) Store, Banana Ripening facility, potato cold storage, modular cold rooms, IQF, Blast Freezer, Ice Cream & Dairy products, large fruits and vegetables cold storage units and many other applications.

They are further expanding their business and setting up a new PUF Panel manufacturing plant in industrial area Bhiwadi, Rajasthan. In this business approx. 40% cost is of Polyurethane Foam Panel. The proposed unit will produce of polyurethane sandwich panels & doors which are final product for Cold room, Ice Cream plant, Frozen Industries, Pharma unit etc.

M/s Arctic Refrigeration Pvt. Ltd., is importing machine “Foaming equipment with standard accessories and other related items” for this manufacturing plant from CANNON, Italy. In this machinery (technology), the ODS free substance pentane will be used and the same is Eco-friendly to environment. The manufacturing facility of PUF panel is for developing and building facilities for cold storages etc. The enterprise propose to set up a modern manufacturing unit, using modern process to guarantee consistency and reliability, and the enterprise has mentioned that it has facilities and technically sound workforce for manufacturing different types of PUF panels.

The enterprise is now importing Cannon Foaming equipment with standard accessories to M/s Afros S.P.A., Italy wide Ref No.: Ref/ARPL/17-18/352 dated 27th December, 2017 of Euro 4,60,000/- CIF New Custom House, Mumbai. The details are shown in the table below:

No.	Description	Qty	Unit	P.O No & Date	Unit Price (EURO)	Amount (in INR) (Exchange rate-83)
1	Brand New Capital Cannon Machinery for the production of Sandwich Panels suitable for pentane use (H.S Code: 8477.80.11)			APRL/17-18/352		
	Cannon Foaming equipment with standard accessories, composed of:	1	Set	Dated 27.12.2017	€ 4,60,000	3,81,80,000/-
A	Press PMC 245 T 12.500 X 1.400 – 2+2 system	1				
B	A-Compact 200 FC Penta Basic with two mixing heads FPL 26 SR and T-frame	1				
C	Pentane loading Piston Pump + 1000 It nitrogen tank	1				
D	Premix Penta Easy Froth 20+4 with and fire safe valve. Rigid piping from premix to machine POL dosing tank	1				
E	Safety equipment with control cabinet and remote alarm cabinet					
F	Piping from premix to dosing unit					
	CIF Mumbai					
Total						3,81,80,000/-
Duty payable @ 7.5%						28,63,500/-

The cost of these imported equipment is approx. Rs. 3,81,80,000/- and duty payable @ 7.5% approx. Rs. 28,63,500.

The company has submitted the supporting documents.

The Committee may consider the application.

Agenda Item No. 2

Application of M/s Krishna Maruti Ltd., Gujarat for duty exemption for import of PU Plant Wet Side (with complete accessories), PU Plant Dry Side (with complete accessories) and Crusher system from M/s Kraussmaffeï Technologies GMBH, Kraussmaffeï Strasse 2, 80997, Munich Germany.

M/s Krishna Maruti Ltd., started manufacturing car seating systems for Maruti Udyog Ltd., (MUL) now known as Maruti Suzuki India Ltd., in the year 1994. At present it is a joint enterprise with the current share holding pattern shown below.

1.	Suzuki Motor Corporation	29.24%
2.	Maruti Suzuki India Ltd.,	15.80%
3.	Ashok Kapur and Associates	54.96%

The Company started manufacturing and supply of Door Trims from the year 2000-01 and is currently supplying 100% Door Trims for the various models Wagon-R, Swift, Ertiga and other upcoming model. Krishna Maruti Ltd. has supplied approx. 10.96 lakhs seat sets and approx.. 9.19 lakhs Door Trim Sets to Maruti Suzuki India Ltd. in the year 2017-18. The Company already has 7 PU lines having an annual capacity to produce 1680000 car seat sets in three seating plants.

The proposal for import of new PU plant is for expanding / increasing the production capacity of its unit situated at Delhi Jaipur Highway, Narsinghpur, Gurugram, Haryana. The capacity of the proposed PU plant would be 750 seats per day.

Earlier Car making companies used to have CFC11 technology for making seats. The 'PU Plant that the Applicant company is considering to import for making car seat cushion & back pads is with Non Ozone depleting Substances Technology' free from CFC 11.

The proposed PU plant consist of two parts, One is Wet part & second is Dry part.

In wet part there are metering pumps with motors, Raw material tanks (machine tanks & Blend tanks), Control panels, panel AC, release agent tank and chillers. Panel ACs are used to maintain the temperature in control panel and chillers are used to maintain the raw material (Chemicals) temperature. Refrigerants used in panel AC and chillers are Non-ODS. Two chemicals are used as a raw material in the plant, one is

Polyol and other is Isocynate (TDI). Both chemicals are stored in separate tanks, regular agitation is there in Tanks, these tanks are called machine tanks. Materials go to Metering pumps from the machine tank.

Metering pumps supply the material (Chemical) at high pressure to the mixing heads. Both chemicals reach in the mixing heads separately and get mixed in mixing heads when pouring (Dispensing) is required. There are two mixing heads mounted on Robot. Robot carries the mixing heads to pour the chemicals in the moulds. We will use Polyol in this plant which is having blowing agent H₂O (Water).

In Dry Part, there are Oval Conveyor capacity to carry 36 mould carriers, mould closing machine, Two Robots and Vacuum crasher. Moulds move on the Oval conveyor with the help of drive. Robot pours the mixed chemicals in to the mould by mixing head. After that mould closing device close the moulds then it turn to mould opening side where moulds get open. Now PU foam is ready in the shape of mould. Now operator take out the foam pads and put inside the vacuum crasher to release the interrupt air from the foam pads to avoid permanent deformation in the foam pads. This is the final product of the plant which is used to make car seats.

The details of the plant is given below.

Table

Sl. No	Description	P.O. No & Date	Price in FOB value in Euro	Price in INR (Exchange rate 83)
1	PU plant Wet Side (with complete accessories)	20180509	780,500/-	6,47,81,500/-
2	PU Plant Dry Side (with complete accessories)	& 9.5.2018	635,000/-	5,27,05,000/-
3	Crusher System		97,000/-	80,51,000/-
Total cost of machinery				12,55,37,500/-
Duty payable approx. @ 7.5%				94,15,312/- 94.15 lacs

The cost of these imported equipment is approx.. Rs. 12.55 crores and basic import duty on it @ 7.5% would be approx.. Rs. 94.15 lakhs.

The Committee may consider the application.
