Agenda Item No. 1: The application of M/s Lloyd Insulations (India) Ltd., Pithampur, Madhya Pradesh for duty exemption for import of (i) Cannon "A-Compact 200 PB" High Pressure Dosing unit with its parts & packing (ii) N.2 Retrofitting to existing press 12500X1400 for pentane use including installation (iii) Safeties Setup 1 (iv) Engineering Setup 1 (v) Pentanization of existing "A-Compact 200", Nitrogen Purging valves and Nitrogen Tank, POL-Pentane loading Piston Pump (vi) Nitrogen Generator (vii) Safeties Setup 2 (viii) Engineering setup 1+ setup 2 *(ix)* Installation of setup 1+ setup 2 (x) Mixing head FPL18SR as spare (xi) Safety device restoring in their plant at Pithampur, Madhya Pradesh .

M/s Lloyd Insulations (India) Ltd., having its polyurethanes division at Pithampur (MP), is the market leader in the field of Energy Conservation with products in the form of Cold Insulation to include Rigid Polyurethane foam products. M/s Lloyd Insulations (India) Ltd. is design, engineering, manufacturing and contracting company with years of experience in Thermal Insulation Sector with first plant in Pithampur, Madhya Pradesh.

M/s Lloyd Insulations (India) Ltd. is presently using Hydrochlorofluorocarbon (HCFC)-141b as a foam blowing agent in General Insulation and Discontinuous Panels sub-sector. The use of HCFC-141b as a foam blowing agent in the foam manufacturing sector is being phased-out under HCFC Phase-out Management Plan (HPMP) Stage-II. The phase-out of HCFCs in HPMP Stage-II inter alia will be addressed through technology conversions in large, medium, small and micro enterprises in the polyurethane foam manufacturing sector. Use of HCFC-141b will be phased-out as on 1.1.2020 as per Ozone Depleting Substances (Regulation and Control) Rules, 2000 and its amendments.

M/s Lloyd Insulations (India) Ltd. is a participating enterprise under HPMP Stage-II.

In order to phase-out HCFC-141b, cyclopentane blended system has been chosen as alternative technology. This cannot be employed without retro fitment and implementation of requisite safety setup. For conversion of existing foam manufacturing setup from HCFC-141b to pre blended cyclopentane with polyol technology M/s Lloyd Insulations (India) Ltd. are procuring following retro-fitment items:- (a) Cannon A compact 200 PB high pressure dosing unit (b) retrofitting in existing press including safeties & engineering setup 1 (c) nitrogen generator including safeties & Engineering setup 2 (d) mixing head FPL 18SR as spare (e) conversion of existing foaming setup to make it suitable for operations based on cyclopentane involves provision of additional suction ducts, wall barriers, safety and ventilation system to include unloading and transfer (thru diaphragm pumps) setup with gas sensor, alarms, monitoring and nitrogen blanketing system.

(2)

The details of machinery being imported is given in the table below:

Table - 1

S. No	Description of Goods	Purchase order no. and date	Price in Euro	Price in INR (Exchange rate Rs.78 / Euro)	Site Location
1	Cannon "Ä-Compact 200 PB" High Pressure Dosing unit composed by the following parts: a) Cannon A- Compact 200 Penta Basic b) Tanks Group c) Dosing Group d) Control Panel e) N.2 Mixing Heads Groups FPL 24 SR f) N.2 Hydraulic unit (100 L. capacity) g) N.2 Nitrogen Puging valves and Nitrogen Tank h) High Pressure Piping from the Dosing unit to the Mixing Head (not included supplied by Expanded) i) POL-Pentane Loading Piston Pump j) Packing	LII/PUP/IMP/025/2018-19 (revised) dated 1st July, 2019	167000	13026000	Lloyd Insulations (I) Ltd., Plot No. 103, AKVN Industrial Area, Sector-3, Pithampur, Madhya Pardesh
2	N.2 Retrofitting to Existing Press 12500 X 1400 for pentane use including installation		194000	15132000	
3	Safeties Setup 1		58000	4524000	
4	Engineering Setup 1		9000	702000	
5	a) Pentanization of existing "Ä-Compact 200" b) Nitrogen Purging Valves and Nitrogen Tank c) Pol-Pentane loading Piston Pump		33000	2574000	
6	Nitrogen Generator		27000	2106000	
7	Safeties Setup 2		43000	3354000	
8	Engineering Setup 1+ Setup 2		9000	702000	
9	Installation of Setup 1 + Setup 2		30000	2340000	
10	Mixing Head FPL18SR as spare		20000	1560000	
11	Safety dive Restoring		32250	2515500	
	Total Cost of Machinery		**622250**	**48535500**	
	Duty @ 7.5% INR			**3640162.5**	

The total cost of machinery being imported is Rs. 4.85 crores and duty on it would be appox. Rs. 36.40 lacs. The company has submitted the supporting documents.

The committee may consider the application.

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Agenda Item No. 2 The application of M/s Suchi Foams Pvt. Ltd., Mehsana, Gujarat for duty exemption for import of i) Roll Forming part of continuous polyurethane sandwich panel production PUR and PIR panel (Dry part) and ii) 5 component with pentane as blowing agent machine for production of continuous polyurethane sandwich panel production PUR and PIR panel.

M/s Suchi Foams Pvt. Ltd. is in the field of pre-fabricated Sandwich rigid panels for cold storage for thermal insulation. Sandwich panels or composite panels consist of an insulation material core of varying thickness which is held between metal and flexible facings. They have been extensively used in external wall and roof constructions, cold storage, warehousing, food industry etc are few among many are its usage areas. The insulation core within the sandwich panel varies. The core material used generally falls into one of the following categories:

i. Non-combustible mineral wool or fiberglass
ii. Polyisocyanurate Foam (PIR)
iii. Polyurethane Foam (PUF)

M/s Suchi Foams Pvt. Ltd. are now implementing a modern fully automated and computerized plant at village- Khavad, Taluka – Kadi, District – Mehsana in the state of Gujarat. The plant is a Greenfield manufacturing facility that will produce polyurethane foam (PUF) insulated sandwich panels in a continuous line. The process for manufacture of PUF panels requires the use of a blowing agent to reduce the viscosity of the other raw materials in the foam and to act as an insulating agent for the panel by getting trapped in the cells of the foam.

M/s Suchi Foams Pvt. Ltd. will use Pentane as the blowing agent in the manufacture of poly urethane foam. Conventionally HCFC-141b is used as a blowing agent. Under HPMP Stage-II technology conversions are being assisted to non HCFC-141b low GWP technologies. There are also non-HCFC 141b high GWP technologies. The company has chosen to use non-HCFC 141b low GWP technology of pentane in their new plant.

M/s Suchi Foams Pvt. Ltd. will incur all addition safety related to use of pentane as a blowing agent including license from Explosives department for explosion proof facilities and risk management systems required in the usage of an inflammable gas like pentane. The manufacture of Rigid polyurethane foam panel is a chemical reaction which starts out as a liquid dispensation and rapidly progress through a thickening and expansion followed by setting and final cure.

The foaming unit is made up of a group of tanks, pumps and gauges, all of them electronically controlled and directed in order to achieve a perfect metering of chemical components that mixed together in the High Pressure head to foam to produce polyurethane foam, The foaming unit is a complete set of pressurized tanks, catalyst storing for the foam correction on the Pol line with a static mixer.

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The equipment for the plant has been supplied by OMS Italy and Metal Roll forming by IL Kwang Korea. The deployment of a continuous process would reduce the specific energy consumption of the process leading to energy efficiency. The plant details are given in the table below:

Table 2

Sl. No	Description of Equipment	Purchase order no. and date	Price in Euro	Price in INR (Exchange rate Rs.78 / Euro)	Site Location
1	Polyurethane sandwich panel production line	(PO No. SFPL/PO/IKMF/01 dated 18th May, 2019) From IL Kwang Metal Forming Co. Ltd., South Korea	14,37,000	112086000	Survey No: 1972 Vill. Khavad TA: Kadi Dist: Mehsana, Gujarat - 382165
2	1.High pressure machine 5 components (MDI, Polyol 1 and 2, Catalyst 1 and 2, Pentane) and including: • Additional Polyol Tank • Foam front Laser system • Calibration kit for infrared sensors 2. Pentane metering line and safety equipment 3. Mixing head cross beam (single head) 4. Suction system lay down area 5. Foam laydown table 6. High pressure air/ Nitrogen air load system (booster system) 7. Pentane storage farm (drums) 8. Adhesive promoter equipment (primer)	(PO No. SFPL/PO/ SAIP/01 dated 3rd July, 2019) From SAIP Italy	4,60,000	35880000	
	Total Cost of Machinery		1897000	147966000	
	Duty @ 7.5% INR			11097450	

The project will cost Rs 14.79 crores and basic import duty on it @ 7.5% would be approx. Rs. 1.1 crores. The company has submitted the supporting documents.

The committee may consider the application.

Agenda Item No. 3 Application of M/s Krishna Maruti Ltd., Gujarat for duty exemption for import of PU Plant Wet Side (with complete accessories) and PU Plant Dry Side (with complete accessories) from M/s Kraussmaffei Technologies GMBH, Krauss-Maffei Strasse 2, 80997, Munich, Germany.

M/s Krishna Maruti Ltd., had earlier applied for custom duty exemption for import of PU Plant Wet Side (with complete accessories) and PU Plant Dry Side (with complete accessories) from M/s Kraussmaffei Technologies GMBH, Krauss-Maffei Strasse 2, 80997, Munich, Germany. The case was presented in the last meeting of the Technology and Finance Standing Committee (TFSC) held on 21st June, 2019. The details of the plant presented to the Committee in its last meeting is given below:

Sl. No	Description	P.O. No & Date	Price in FOB value in Euro	Price in INR (Exchange rate 79.00)	Site Location
1	PU plant Wet Side (with complete accessories)	20181130 Rev-01 & 13.2.2019	876,700/-	6,92,59,300/-	Plot No. 13, SMG JV Park, Block 334-335, Village – Hansalpur, Ahmedabad, Gujarat
2	PU Plant Dry Side (with complete accessories)		563,300/-	4,45,00,700/-	
Total cost of machinery				**11,37,60,000/-**	
Duty payable approx. @ 7.5%				**85,32,000/- 85.32 lakh**	

The Committee sought the following information from M/s Krishna Maruti Ltd., for further considering the case:

a. List of Ozone Depleting Substance (ODS) which is being used in car seating's as a foam blowing agent presently.

b. Relevant documentation received from M/s Maruti clearly showing request for increasing production capacity thrice in last one and half year and also for M/s Krishna Maruti coming again and again for the same type of project in the same span of time.

c. To provide the relevant documentation for the share holding pattern in the company along with the foreign ownership.

d. An undertaking that the equipment being imported are not manufactured in India.

e. An undertaking that the equipment would be specifically used only for the purpose as set out in the application proposal.

f. An undertaking that, in case, the company envisages to sell the equipment the same needs to brought to the notice of Custom Authorities.

g. M/s Krishna Maruti Ltd., shall give in writing, that only the non-ODS component cannot be imported separately. The whole system has to be imported as a whole.

h. M/s Krishna Maruti Ltd., shall give an undertaking that the imported equipment shall not be used by ODS technology.

The Committee decided that the additional documents/ clarifications provided by M/s Krishna Maruti Ltd. shall be circulated to the members of the Committee for their comments/ views on the additional documents/ clarifications provided and also views of the members will be obtained on the instant case of M/s Krishna Maruti Ltd. A separate meeting of TFSC may be convened, in case, there is view to further consider case, based on the above documents.

The additional documents/clarifications received from M/s Krishna Maruti Ltd., were circulated to committee members vide email dated 11th September 2019.

The additional documents / clarification received from M/s Krishna Maruti Ltd., are placed for the consideration of the Committee.

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