

**TECHNOLOGY AND FINANCE
STANDING COMMITTEE MEETING**

16th February, 2018

AGENDA PAPERS

**ADOPTION OF MINUTES OF TFSC MEETING HELD ON 21st September, 2017
AND CIRCULATED TO MEMBERS.**

The Minutes of TFSC meeting held on 21st September, 2017 were circulated to all the Members. No comments have been received, the Minutes may be adopted.

Action taken:

The following eight applications were considered for issuance of duty exemption certificate for import of goods needed for manufacturing activity with non-ODS technology.

1. M/s Subros Ltd., Noida (Agenda Item NO. 1 to 5)
2. M/s Bharat Seats Pvt. Ltd.
3. M/s Global Autotech Ltd.
4. M/s Zeco Aircon Ltd.

All eight applicants gave presentation in support of their projects before the Committee which were further discussed in detail and Sl. No 1 & 2 were found suitable for issuance of duty exemption certificates. In case of M/s Global Autotech Ltd., Greater Noida and M/s Zeco Aircon Ltd. withdrawn their application.

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 15th December, 2017. The ESC approved the projects for issuance of duty exemption certificates to M/s Subros Ltd., Noida and M/s Bharat Seats Pvt. Ltd. recommended by the TFSC in its meeting held on 21st September, 2017. M/s Global Autotech Ltd. and M/s Zeco Aircon Ltd. informed the TFSC held on 21st September, 2017 that they have already imported the equipment's so duty exemption is no longer required. Accordingly, the certificates for M/s Subros Ltd., Noida, and M/s Bharat Seats Pvt. Ltd., have been issued.

Agenda Item No. 1

The 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) needed for enhancing the production capacity and capability at their Gujarat Plant.

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. 9.40 lakhs seat sets and approx.. 9.69 Door Trim Sets to Maruti Suzuki India Ltd. in the year 2016-17.

The Company already has three seating plants with state of art 6 PU lines having an annual capacity to produce 1258000 car seat sets.

Krishna Maruti Ltd. has set up a new seating plant at Ahmedabad, Gujarat. The unit already has one PU line with an annual capacity to produce 250000 car seat sets to meet the JIT requirement of its Customer, Suzuki Motor Gujarat Pvt. Ltd. and Maruti Suzuki India Ltd.

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.

This proposed PU plant is consist with two parts, One is Wet part & 2nd is Dry part.

In wet part there are metering pumps with motors, Raw material tanks (Machine tanks and blend tanks), Control panel, Panel AC, Release agent tanks and Chillers. Panel ACs are used for maintain the temperature in control panels and chillers are used for maintain the raw material (chemicals) temperature. Refrigerant are used in panel AC and chillers are Ozone Depletion free. Two chemicals are used as a raw material in this plant. One is polyol and other is Isocynate (TDI).

In Dry Part, there are Oval Conveyor capacity to carrying 36 mould carriers, Mould closing machine, Two Robots and Vacuum crusher. Moulds move on the Oval conveyor with the help of drive. The final products of tis plant is used to make car seats.

It may be mentioned that a similar plant of the company for manufacturing car seats at Manesar, Gurgaon have been covered under the Fiscal Incentive scheme in 2007, 2009 and 2011.

The enterprise is now importing PU plant which is a polyurethane seat cushion plant manufactured by M/s Kraussmaffeï Technologies GMBH, Germany for making car seat cushion and back pads with Non Ozone Depleting Substances technology. The details are shown in the table below:

Table

SI. No	Description	P.O. No & Date	FOB value in Euro	Price in INR
1	PU plant Wet Side (with complete accessories)	20170323-3	8,26,700/-	6,27,62,402.64
2	PU Plant Dry Side (with complete accessories)	& 30.10.2017	5,73,300/-	4,35,24,477.36
Total cost in Rs.				10,62,86,880/-
Duty payable approx. @ 7.5%				79,71,516/-

The cost of these imported equipment is approx.. Rs. 10.62 crores and basic import duty on it @ 7.5% would be approx.. Rs. 79.7 lakhs.

The company has submitted all the supporting documents.

The Committee may consider the application.
