

**Agenda Item No. 1**

The application of **M/s G.A.S. PU Panels (India) Pvt. Ltd., Pune** for duty exemption for import of two Cannon "A Compact" 200 FC high pressure PU foaming machines from Italy.

**M/s G.A.S. PU Panels (India) Pvt. Ltd.,** Pune, a private limited company, incorporated in November, 2007, have set up a factory near Pune, Maharashtra for manufacturing rigid P.U. Sandwich Panels. These panels are used for cold storages, telecom shelters refrigerated mobile vans, partition walls, prefab huts etc. requiring insulation from ambient temperatures, Cold storages, requiring PU sandwich panels as an essential component, is the fastest growing segment today registering a growth of 37 percent during 2006-07. There is a sudden spurt in the demand for these panels due to the priority offered by the Government for the development of infrastructure of cold-chain related investments and growth of super markets.

For this project the company is importing two high pressure PU foaming machines from Italy details of which are given in the table:

**Table**

Sl. No	Description	Quantity	P.O. No	Source	Price in Euro	Price in INR
1	Cannon "A-compact" 200 FC High Pressure Dosing Units.	2 Nos	006  Dated 16.06.08	Afros S.p.A. Via Galileo Ferraris, 65, 1-21042, Caronno Pertusella (Vs) Italy	1,65,000/-	1,08,90,000/-
<b>Total price is</b>						<b>1,08,90,000/-</b>
<b>Duty payable @ 7.5% approx.</b>						<b>8,16,750/-</b>

The cost of the machines being imported is Rs. 1,08,90,000 and duty payable on it is approx. Rs. 8,16,750/-.

The capacity of the plant as projected is 250,000 sq. m per annum in assorted sizes.

The panel press needed for the project will be procured locally.

The total cost of the project Rs 800 Lacs which will be partly financed by a Bank term loan of Rs. 575 Lacs for which they will apply later.

The main promoter of the project (Mr. Gulab A. Jagtianey) is presently managing a similar factory in Kuwait but has residential property in Pune and a Pan card. He intends to return to India and settle down in Pune once the project is commissioned.

The company has submitted all the other supporting documents.

It may be mentioned that duty exemption for import of similar foaming machined have been recommended for many other companies in recent years. This is the first application from this new company.

The committee may consider the application.

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**Agenda Item No. 2:** The application of **M/s Krishna Maruti Ltd.**, Gurgaon for duty exemption for import of one PEC make Poly Urethane car seat cushion plant for manufacture of car seats.

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

|    |                            |        |
|----|----------------------------|--------|
| 1. | Suzuki Motor Corporation   | 29.24% |
| 2. | Maruti Udyog Limited       | 15.80% |
| 3. | Ashok Kapur and Associates | 54.96% |

The company supplies 59% of the car seat cushion requirement of Maruti.

In the year 2001, the company diversified into manufacture of car Door Trims and is currently supplying 100% door trims for models ALTO, WAGON-R, SWIFT, SX4 and other upcoming models.

The company has plans to diversify into manufacture of car roof head liners, rear view mirrors, bus and railway seats. Besides Maruti

Suzuki India Ltd., they also supply to Honda Motorcycle India Ltd., and SMC Two Wheeler Ltd.

They are now setting up a new car seat cushion plant in plot no. 17 & 20 of Supplier Park of Maruti Suzuki India Ltd., at Manesar, Gurgaon as a part of their expansion program. For this they need to import a PU car seat cushion manufacturing plant from Japan and have applied for duty exemption for it. The details of the plant being imported is given in the table.

**Table**

| Sl. No                             | Description & Qty                                                                          | P.O. No & Date                              | supplier address                                                                                      | FOB value in Japanese YEN | Value in INR (Exchange rate 0.54) |
|------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------|
| 1                                  | PEC make PU Plant – ONE<br>(Details of the plant may be seen in <b><i>Annex. – 1</i></b> ) | IO / KML / SDM/08-01<br><br>Dated 09 -07-08 | M/s Sojitz Corporation,<br>1 – 20, Akasaka,<br>6 – Chome,<br>Minato - Ku,<br>Tokyo<br>107-8655, Japan | 15,30,00,000/-            | 8,26,20,000/-                     |
| <b>Total cost of machinery</b>     |                                                                                            |                                             |                                                                                                       |                           | <b>8,26,20,000/-</b>              |
| <b>Duty payable approx. @ 7.5%</b> |                                                                                            |                                             |                                                                                                       |                           | <b>62 Lacs</b>                    |

The capacity of the new seat cushion plant is 1.75 Lac seat sets per anum. It is for meeting the increased requirement of Maruti Suzuki India Ltd.

The total cost of the project is Rs. 871 Lacs. It will be financed partly by a term loan of Rs 584 Lacs from Kotak Mahindra Bank Ltd., (already approved) and the balance by internal accruals.

The company will be using water as the non-ODS foam blowing agent. The only waste material produced in the plant are foam trimmings which are disposed off by selling to authorized scrap dealers.

The company has submitted all the supporting documents. It may be mentioned that similar plants for manufacturing automotive seat cushions have been approved earlier for this company as well as for others.

The committee may consider the application.



**Agenda Item No. 3 :** The application of M/s **Ajni Clean Rooms Pvt. Ltd.**, Baroda for duty exemption for import of one Cannon A-compact 100 FC high pressure PU foaming machine and one Manni press PMC 105T with 4-day light system of size 3500mm X 1700mm from Italy.

**M/s Ajni Clean Rooms Pvt. Ltd.**, Baroda is a medium size company manufacturing aluminium/GI doors, partitions, laboratory furniture and clean rooms for Pharmaceuticals Industries and hospitals from the year 2005. The clean rooms are assembled from PUF Sandwich panels manufactured in the same factory. They also make customized PUF filled flush doors and partition panels catering to the large number of Pharmaceuticals industries situated around Baroda.

For PU foam filling of the sandwich panels, they are at present using local made machines which often breakdown and give poor quality product. The industry demands quality products and timely delivery which can only be met using imported machines from reputed sources. The company has therefore decided to import one Cannon high pressure PU foaming machine and a Manni PMC panel press from Italy and have applied for duty exemption for the same.

The details of the machinery being imported is given in the Table:

**Table**

| Sl. No                     | Description                                                                                                                                              | Qty. | P.O. No & Date                    | Amount in EURO | Amount in INR        |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----------------------------------|----------------|----------------------|
| 1                          | Cannon A-Compact 100 FC high pressure polyurethane machine using CFC-Free Technology with 1 No. Manni presses PMC 105 T 4-daylight system 3500 X 1700 mm | 1    | ACRPL/036/07-08<br><br>26.04.2008 | 1,62,000/-     | 1,09,51,200/-        |
| <b>Total cost</b>          |                                                                                                                                                          |      |                                   |                | <b>1,09,51,200/-</b> |
| <b>Duty payable @ 7.5%</b> |                                                                                                                                                          |      |                                   |                | <b>8.21 Lacs</b>     |

The total cost of the machinery being imported is Rs. 1.095 Crores and duty payable on it is approx Rs. 8.21 Lacs.

The projected capacity of the plant is 2000 panels per month of assorted sizes. The cost of the project is approx. Rs 135.18 Lacs which will be met partly by a term loan of Rs. 107.00 Lacs from Union bank of India and the balance from internal accruals.

The company will be using CFC-free non-ODS foam blowing agent.

The company has submitted all the supporting documents.

It may be mentioned that the machines being imported are standard items for PU foam sandwich panel manufacture and have been approved for many enterprises during the last few years.

The committee may consider the application.



**Agenda Item No. 4**

The application of **M/s Bharat Seats Ltd.**, Gurgaon, for duty exemption for import of one High pressure foaming machine with accessories for manufacture of car seat cushions.

**M/s Bharat Seats Ltd.**, is one of the first joint ventures of Maruti Udyog Ltd., and M/s Rohit Relan and associates. It was started with the aim of producing car seats for Maruti Udyog Ltd. The company has undergone some organisational changes with expansion and at present their share holding pattern is as follows:

|                                 |   |        |
|---------------------------------|---|--------|
| Suzuki Motor Corporation, Japan | - | 14.81% |
| Maruti Suzuki India Ltd.,       | - | 14.81% |
| M/s Rohit Relan and Associates  | - | 29.62% |
| Public                          | - | 40.76% |

Currently they are supplying 41% of the requirement of Maruti Suzuki India Ltd., mainly seating systems, moulded floor carpets and

luggage carpets. They also supply seats and frame assembly for two wheelers of Suzuki Motor Cycles (India) Ltd.

Their main factory is conveniently located near the Maruti Complex, Gurgaon reducing transportation cost, time and inventory level.

The company was one of the earliest to change over to non-ODS technology with the assistance of Montreal Protocol Multilateral Fund and advise of Mr. Bert Veenandhal, UNDP expert. Subsequently they had undertaken two expansions and diversifications for which they received duty exemption assistance in 1999 and 2002. This is their third application.

The company is now undertaking further expansion as their main customer Maruti Suzuki India Ltd., (MSIL), is increasing production. For this they need to import one more PU high pressure foaming machine with accessories like dual tanks, four component mixing heads, mould heating system for proper curing and thirty six carrier conveyor system etc. It is suitable for making dual hardness foams now required for additional comfort in seats of all new cars.

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

| Sl. No                     | Description of machinery | Qty     | P.O. No & Date               | Address of supplier                                                                                         | Cost in Yen  | Cost in INR  |
|----------------------------|--------------------------|---------|------------------------------|-------------------------------------------------------------------------------------------------------------|--------------|--------------|
| 1                          | High Pressure Foaming    | One set | 570244<br><br>Dated 29.11.08 | M/s Krauss Maffei Japan corporation 5, Aza – Higashimixzudori, Hashime-cho, Okazaki, Aichi 444 – 0908 Japan | 17,57,00,000 | 9,66,35,000  |
| <b>Total cost Rs.</b>      |                          |         |                              |                                                                                                             |              | 9.664 crores |
| <b>Duty payable @ 7.5%</b> |                          |         |                              |                                                                                                             |              | 72.5 lacs    |

The machine is being purchased from M/s Krauss Maffei who has a branch in Japan. Adequate justification has been given for choosing the supplier.

Besides incurring cost of imported foaming machine, the company will be spending approx. Rs 3.92 crores to procure additional indigenous equipment for the project.

The total cost of the project is appox. Rs 14.34 crores. It will be financed by a term loan of Rs. 9.66 crores from the Bank of Tokyo-Mitsubishi-UFJ Ltd., Japan which has been sanctioned. Balance of the cost of the project will be met by internal accruals.

The company is now producing 3,50,000 seating systems per annum. After expansion with the new machine capacity is projected to increase to 5,50,000 seating systems.

The company has submitted all the supporting documents.

The committee may consider the application.

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