

Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Monday, 21st July, 2008 at 11:00 A.M. in the Training Room No. – 2, (CDC), Core 4B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003.

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List of participants is annexed (**Annexure-I**)

The Minutes of the TFSC meeting held on 09.06.2008 were circulated to the members. No comments have been received. The Minutes were adopted.

Dr. A. Duraisamy, Director (O) welcomed the Members and apprised the actions taken by the Ozone Cell on the recommendations made by TFSC held on 9th June, 2008.

Action Taken: Approval of the Chairman, Empowered Steering Committee (ESC) for Implementation of Montreal Protocol has been taken on file and duty exemption certificates were issued for the following :

1. M/s **Sanden Vikas India Ltd., Faridabad.**
2. M/s **B.A. International, Raipur, Roorke.**
3. M/s **Zuppelin Mobile System India Ltd., NOIDA, UP.**
4. M/s **Anu Solar Power Pvt. Ltd., Bangalore.**
5. M/s **Subros Ltd., Greater Noida.**

Ex-post facto approval of the ESC will be taken in its next meeting.

The Committee took note of the above and considered the following Agenda items:

Agenda Item No. 1 The application of **M/s Nilkamal Ltd, Pondicherry** for duty exemption for import of one CANON Compact A-100 PU foaming machine.

M/s Nilkamal Ltd., is a private partnership company, with a share capital of Rs. 25 Crores, manufacturing HDPE crates and bins. Head quartered at Silvasa (UT) they have a large number of branches (8 plants) spread all over the country. In 2005 they diversified into manufacture of **P.U foam insulated ice boxes of different sizes at their Silvasa plant** and received duty exemption assistance.

The product was runaway success. Not only there was demand from fisheries as conceived first but from many other sectors like fruits, dairies, cold drinks and export market. The company set up four more plants at Puducherry, Jammu (Samba) besides expanding the Silvasa plant. For all these plants making foam insulated ice boxes they received duty exemption assistance.

For the Puducherry plant they had earlier purchased one Cannon A-30 foaming machine to start making these ice boxes in a limited way. **They are now expanding this plant for which they are importing one Cannon Compact A-100 high pressure PU foaming machine** details of which are given in the table below:

Table

Sl. No	Description	Qty.	P.O. No and Dated	Price in EURO	Price in INR
1	Cannon A-Compact 100 high pressure Polyurethane Foaming machine using CFC free technology.	1 Unit	NKL/PONDY/008/08-09 dated 8.5.2008	81,000	51,43,500
Total amount					51,43,500
Duty payable @ 7.5% approx.					3.9 lakhs

The capacity of the plant after expansion will be 10,000 kgs/day.

The committee noted that the need for preserving perishables particularly in the fisheries using these ice boxes is increasing very much and recommended the application for approval.

Agenda Item No. 2 The application of **M/s Nilkamal Ltd, Barjora (West Bengal)** for duty exemption for import of (1) one CANON AP - 30 High Pressure PU foaming machine and (2) one Cannon Compact A-100 high pressure PU foaming machine.

M/s Nilkamal Ltd., is a private partnership company manufacturing HDPE crates and bins. Head quartered at Silvasa (UT) they have a large number of branches (8 plants) spread all over the

country. In 2005 they diversified into manufacture of **P.U foam insulated ice boxes of different sizes at their Silvasa plant** and received duty exemption assistance. The product was runaway success and the company set up four more plants at Puducherry, Jammu (Samba) besides expanding the Silvasa plant. For all these plants making foam insulated ice boxes they received duty exemption assistance. **They are now setting up a plant in West Bengal at the industrial complex at Barjora-Mejia road in Dist. Bankura for making these foam insulated ice boxes.**

For this they are importing two high pressure foaming machines from M/s Cannon and have applied for duty exemption for the same. The details of the machines being imported are given in the table below:

Table

Sl. No	Description	Qty	P.O. No and Dated	Price in EURO	Price in INR
1	Canon AP-30 high pressure Polyurethane Foaming machine using CFC free Technology.	1 Unit	NKL/BARJORA/006/08-09 Dated 08/05/2008	35,000	22,22,500
2	Cannon A-Compact 100 high pressure Polyurethane Foaming machine using CFC free technology.	1 Unit	NKL/BARJORA/006/08-09 Dated 08/05/2008	81,000	51,43,500
Total amount					73,66,000
					73.7 Lakhs
Duty payable @ 7.5% approx.					5.52 lakhs

The cost of the machines is INR 73,66,000/- (Rs. 73.7 lakhs) and duty on it is expected to be approx Rs. 5.52 lakhs @ 7.5%.

The capacity projected for this plant is 10000 kgs. per day and it will be financed from their own sources.

The Committee noted that there is great need for such ice boxes for preserving perishable articles in a tropical country such as India and recommended the application for approval.

Agenda Item No. 3

The application of **M/s Nilkamal Ltd, Silvasa (UT of D&NH)** for duty exemption for import of one CANON AP - 30 High Pressure PU foaming machine.

M/s Nilkamal Ltd., is a private partnership company manufacturing HDPE crates and bins. Head quartered at Silvasa (UT) they have a large number of branches (8 plants) spread all over the country. In 2005 they diversified into manufacture of **P.U foam insulated ice boxes of different sizes at their Silvasa plant** and received duty exemption assistance. The product was runaway success. There was not only demand from fisheries as conceived first but from many other sectors like fruits, dairies, cold drinks and export market. The company set up four more plants at Puducherry, Jammu (Samba) besides expanding the Silvasa plant. For all these plants making foam insulated ice boxes they received duty exemption assistance.

M/s Nilkamal Ltd., have now decided to expand their capacity at Silvasa for which they are importing one Cannon AP-30 high pressure PU foaming machine and have applied for duty exemption for it. The details of the foaming machine being imported is given in the table below:

Table

Sl. No	Description	Qty	P.O. No and Dated	Price in EURO	Price in INR
1	Canon AP-30 high pressure Polyurethane Foaming machine using CFC free Technology.	1 Unit	NKL/KHARADPADA /005/08-09 Dated 21/04/2008	35,000	22,22,500
Total amount					22,22,500 22.23 lakhs
Duty payable @ 7.5% approx.					1.67 lakhs

The capacity projected for this plant is 15,000 kgs. per day and it will be financed from their own sources.

The Committee noted that there is a large demand for ice boxes for preservation of perishable goods and addition of one more foaming machine will improve the production capacity of the plant at Silvasa and recommended approval of the application.

Agenda Item No. 4

The application of **M/s Nilkamal Ltd, Phase II Samba (J&K)** for duty exemption for import of one **CANON A-100 High Pressure PU foaming machine**.

M/s Nilkamal Ltd, is a private partnership company manufacturing HDPE crates and bins. Head quartered at Silvasa (UT) they have a large number of branches (8 plants) spread all over the country. In 2005 they diversified into manufacture of P.U foam insulated ice boxes of different sizes at their Silvasa plant and received duty exemption assistance. The product was runaway success. There was not only demand from fisheries as conceived first but from many other sectors like fruits, dairies, cold drinks and export market. The company set up four more plants at Puducherry, Jammu (Samba) besides expanding the Silvasa plant. For all these plants making foam insulated ice boxes they received duty exemption assistance.

M/s Nilkamal Ltd., have now decided to expand their production capacity **at Samba (J&K)** and are importing **one Cannon Compact A-100 high pressure PU foaming machine** for which they have applied for duty exemption. The details of the foaming machine being imported is given in the table below:

Table

Sl. No	Description	Qty.	P.O. No and Dated	Price in EURO	Price in INR
1	Canon A-Compact 100 high pressure Polyurethane Foaming machine using CFC free Technology.	1 Unit	NKL/JAMMU/00 4/08-09 Dated 19/04/2008	81,000	51,43,500
Total amount					51,43,500 or 51.44 lakhs
Duty payable @ 7.5% approx.					3.86 lakhs

The expanded capacity projected for this plant will be 10,000 kgs. per day and it will be financed from their own sources.

The Committee noted that the demand for such type of ice boxes for preservation of perishables is increasing very much and there is need for a larger foaming machine to increase the capacity of the plant and recommended the application for approval.

Agenda Item No. 5

The application of **Ms. DLF Utilities Private Limited**, Gurgaon for duty exemption for import of **comfort air-conditioning systems based on vapour absorption chillers** to be installed at building 10 of DLF Cyber City, Gurgaon.

M/s DLF Utilities Private Limited, a subsidiary company of DLF Limited, caters to the electricity and air conditioning requirements of various projects and buildings constructed by the DLF group. They wish to install a comfort cooling system in one of the large buildings (Building 10) constructed by DLF in cyber city Gurgaon utilising waste heat available from their power generating gas engines and gas turbines by installing vapour absorption systems based on Lithium bromide – water combinations in which water is used as a refrigerant.

The vapor absorption machines (VAMs) are environmentally friendly chillers which use water as the refrigerant and can utilise waste heat for cooling efficiently.

The **Vapor Absorption Machines (VAMs)** chosen by them are manufactured by BROAD Air conditioning Co. China. For cooling the entire building two types of VAMs will be imported. **The first group includes 4 VAMs of 3300 TR capacity each, and in the second group 5 VAMs of 1100 TR capacity each.**

The total number of VAMs to be imported are 9 giving adequate cooling to the entire building of approx. 4 Million sq ft.

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

Table

S. No	Description of Goods	Qty	PO No	Source	CIF Value USD	CIF Value INR
1	3300 TR Capacity BE 1000 X-520-d	4	DLFU/BUIDING -10/VAM-001	Broad Air Conditioning, China	3120000	126360000
2	BZHE 333 X BD-463-k-400	3		- do -	1416000	57348000
3	1100 TR Capacity (Model No. BZHE333 X-BD-463-d-400) Vapour Absorption Machines	2		- do -	902000	36531000
Total						220239000
Duty payable @ 7.5% approx						1.65 crores

The total cost of the imported VAMs is approx. Rs. 22.03 crores and duty on it @ 7.5% would be Rs. approx. 1.65 Crores.

The project will be financed from their own sources.

The Committee noted that the applicant is importing these VAMS from China for cooling a building not owned by them and these are not for manufacturing anything with non-ODS technology. The Empowered Steering Committee for implementation of Montreal Protocol had decided in their meeting on 24th March, 2000 **that the benefit of the duty exemption scheme will be available only for manufacturers and not for traders and consumers.** In this case M/s DLF Utilities Pvt. Ltd., will not be using the imported machinery for manufacturing any item. **The Committee therefore decided that the application does not merit approval.**

Agenda Item No. 6 The application of **M/s Asahi India Glass Ltd.**, Latherdeva Hoon, Roorkee for duty exemption for import of one PU Foam glass encapsulation plant (capsotech system).

Asahi India Glass Ltd., a public joint venture between Asahi Glass company of Japan, (22.21%), Labroo family (22.1%), of India and Maruti Udyog India Ltd., (11.11%) and public (44.47%). They are the largest manufacturer of Automotive safety glass and other type of glasses in India.

Recently TATA Motors are planning to manufacture a new car named Microbus in which they are introducing a new concept called Slider glass. This is a small glass window sliding over a large glass pane to provide ventilation if needed. To absorb shock due to vibrations the smaller glass pane is coated on the edges with **microporous PU foam coating** using water as blowing agent. This enables the smaller glass pane to slide easily over rails fixed on the larger glass pane. TATA Motors have chosen Asahi India Glass Ltd., to make this new PU Encapsulated slider glass system.

Asahi India Glass Ltd., wants to set up a plant at Roorkee near their existing plant to manufacture this encapsulated slider glass.

For PU Encapsulation of the slider glass with microporous PU coating on the edges they are importing one PU foam glass encapsulation plant from M/s Technos S.p.a. Italy. Details of the machine being imported are given in the Table below:

Table

Sl. No	Description of the Equipment	Qty	P.O. NO.	Supplier	Value in USD	Value in INR
1	Capsotec System – PU Foam Glass Encapsulation Plant using CFC Free Technology	1	1901 dated 15.3.08	Tecnos S.p.A. Italy	6,30,400	2,55,31,200
Total value in INR						2.55 Crore
Duty payable @ 7.5% appox.						19.15 lakh

The total cost of the system is approx. 2.55 crores and duty payable @ 7.5% approx. on it would be 19.15 lakhs.

The proposed capacity of the PU encapsulated tempered safety glass for Automotive application projected for this plant is 1,40,000 pieces per annum.

The total cost of the project including plant, machinery and infrastructure is approx. Rs. 40 Crores and it will be funded through internal accruals.

The Committee discussed the project and wanted to know:

- (a) Whether Asahi India Glass Company will be manufacturing these slider glasses only for indigenous use or also for export.
- (b) Does the planned production of the company match with the capacity of utilization by Tata Motors for whom this product is being manufactured.
- (c) The company should give their projection for production and consumption of slider glasses for the next 2 years.

It was decided that the project will be considered again after answers to above questions have been received.

Agenda Item No. 7 The application of **M/s Sanden Vikas India Ltd.**, Faridabad, for duty exemption for import of equipment for manufacture of new type of variable compressors for Mobile Air Conditioners.

M/s Sanden Vikas India Limited, a joint venture between Sanden Corporation, Japan and Vikas Motors, India, is a large manufacturer of non-ODS Mobile Air Conditioners (MACs) in India. They were one of the first to convert to non-ODS technology with assistance from MPMF and are now making MACs using R-134a as refrigerant. Sanden Vikas is an IAO 9002/TS 16949, ISO 14001 and QS 9000 certified company.

The company has gradually increased their production capacity and their currently projected capacity is 250,000 units per year. Details are provided in the agenda. In this effort they have received assistance in the form of duty exemption for import of machinery eleven times earlier. This is their 12th application.

The company is now embarking on a project **to manufacture a new type of highly efficient energy saving SD6V/SD7V type variable compressors for MACs**. These can control excessive power consumption by infinitive variable displacement and reduce torque surge (Jerk) by cycling of clutch. Also these compressors have highly reliable power transmission by using wobble plate technology. The compressors are designed to use non-ODS refrigerant R-134a.

In this project they are setting up manufacturing facilities for this new type of compressors and are importing 199 pieces of equipment listed in the attached purchase order and grouped as per various stages of manufacture as shown in the table below:

Table

Sl. No	Equipment	S. No as per PO	No. of items	Price in (JY)	Price in INR
1	Child parts sub-assy equipment	1-22	22	19,95,20,000	7,98,08,000
2	Compressor main line assy equipment	23-44	22	19,12,46,000	7,64,98,400
3	Magnetic clutch assy line equipment	45-58	14	7,92,00,000	3,16,80,000
4	Testing equipment	186-193	8	15,88,29,000	6,35,31,600
5	Jigs, Fixtures & Tools	59-185 & 194-199	133	1,75,42,940	70,17,176
Total Amount				24,63,37,940	258535176 or 25.85 Crores
				Approx. Duty @ 7.5%	1.96 Crores

The cost of the equipment being imported is Rs. 25.85 Crores and duty payable on it is approx. 1.96 Crores @ 7.5 %.

The capacity of the plant will increase to 4,50,000 units per year after setting up this new facility.

The Committee discussed the project and wanted to know (a) the current production capacities mentioned in the project are on per shift basis or other wise (b) the actual out put during the year 2005-2007 (c) what will happen to the old type of compressors want to new type comes into production (d) is this technology used in Japan by their collaborators or passed to India for trial here (e) is this

technology meant only for car air conditioners (f) are all the items produced and sold by Sanden corporation, Japan.

It was decided that the project will be considered again after clarifications to the above questions have been received.

The meeting ended with vote of thanks to the chair.

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Annexure-I

LIST OF PARTICIPANTS

1	Dr. S. Varadarajan, Chairman (TFSC), 4-A, Girdhar Apartments, 28, Feroze Shah Road, New Delhi- 110001 Ph. : 23230828 (Dir)	Chairman
2	Dr. Kiran Pal, Joint Director, Centre for Fire, Explosive & Environment Safety (CFEES), Defence Research & Development Organisation (DRDO), Ministry of Defence, Brig. S.K. Mazumdar Road, Timarpur, Delhi – 110054	Member
3	Dr. Izzatullah Development Commissioner, O/o DC (SSI), Ministry of Micro, Small & Medium Enterprises, Room No. 702, Nirman Bhavan, New Delhi – 110011 Ph. : 23061198, 23061461 Telefax : 23061972, 23061430	Member
4	Shri H.S. Kaintura Secretary, Ministry of Chemicals & Petrochemicals, Room No. – 227, Department of Chem. & Petro-Chemical, Shastri Bhavan, New Delhi – 110001 Ph. : 23063359, 23382601	Member
5	Prof. R.S. Agarwal, NPM-SPPU, Ozone Cell Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
6	Dr. S. Satapathy, Joint Director, Ozone Cell Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)

7	Shri R. Srinivas, Project Coordinator – PMU Project Management Unit (PMU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
8	Shri. Mohd. Rashid Ayub, MIS Coordinator, Project Management Unit (PMU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
9	Shri. Amit Gulati, Audit Coordinator (PMU) Project Management Unit (PMU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	(Special invitee)
10	Prof. S.K. Mukerjee, Consultant, Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Consultant
11	Dr. A. Duraisamy, Director (Ozone Cell), Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Member Secretary