

Revised Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Tuesday, 19th August, 2008 at 11:00 A.M. in the Meeting Room of 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**)

Dr. A. Duraisamy, Director (O) welcomed the Members and informed them that the following seven applications were considered by the TFSC in its meeting held on 21st July, 2008.

1. The application of **M/s Nilkamal Ltd, Pondicherry** for duty exemption for import of one CANON Compact A-100 PU foaming machine.
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.
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.
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.
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.
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).
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.

The committee had recommended the first four applications. The application of **M/s DLF Utilities Private Limited, Gurgaon** was not recommended. The application of **M/s Asahi India Glass**

Ltd., and **M/s Sanden Vikas India Ltd.**, were deferred for consideration in the next meeting.

The Minutes of the TFSC meeting held on 21st July, 2008 were circulated to the members. No comments have been received. The Minutes were adopted.

Action Taken: It was decided that action will be taken on the four recommended applications along with the applications considered and recommended in the next meeting of TFSC held on 19th August, 2008.

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

Agenda Item No. 1 The application of the **M/s Jaycee Autofab Pvt. Ltd.**, Faridabad for duty exemption for import of one Cannon A-compact 100FC high pressure polyurethane foaming machine.

M/s Jaycee Autofab Pvt. Ltd., is a new company set up by the Jaycee group of companies manufacturing "Drivers Cabin" for M/s JCB India Limited. They have now decided to diversify and are setting up a **new plant in Sector – 58, Faridabad to manufacture Polyurethane Sandwich Panels** mainly for **telecom shelters** and also for super markets, cold rooms in hotels, military huts and other prefabricated buildings.

For this new plant they are importing one PU foaming machine from Italy and have applied for duty exemption for the same.

The details of the machine being imported is given in the Table below:

Table

Sl. No	Description	Qunt.	P.O. No	Price in Euro	Price in INR
1	Cannon A-compact 100 FC High Pressure Polyurethane foaming machine using CFC-Free Technology.	1	JAF/CANNON/08/01 Dated 15.05.2008	74000/-	5032000/-
Total price is					50.3 lakhs
Duty payable @ 7.5% approx.					3.77 lakhs

The cost of the machine being imported is approx. Rs. 50.3 lakhs and duty payable on it is approx. Rs. 3.77 lakhs.

It may be mentioned that the company is importing only the foaming machine with accessories. A press is also needed for this work and it will be procured from local sources.

The capital cost of the project is approx. 163 lakhs and it will be met from internal sources. The working capital of approx. 220 lakhs will be taken as loan from their bankers.

The projected capacity of the plant is 300 shelters in the 1st year and is expected to increase to 600 shelters in the 3rd year of operation.

The committee noted that the demand for telecom shelters is increasing and PU Sandwich panels will be needed for these and recommended the application for approval.

Agenda Item No. 2

Reconsideration of 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 MACs.

M/s Sanden Vikas India Limited, 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 serge (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.

The project is for setting up manufacturing facilities for this new type of compressors for which they are importing 199 pieces of equipment.

This application was discussed in the TFSC meeting held on 21st July, 2008. The committee noted that there is need for energy efficient improved type of compressors for MACs in the competitive market but needed some more clarifications. These are

- a) Whether the current production capacities mentioned in the project are on per shift basis or other wise.

- b) The actual out put during the years 2005-2007.
- c) What will happen to the old type of compressors once the 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 mentioned in the list produced and sold by Sanden corporation, Japan.

The company has clarified

- a) The current production capacities are based on two shifts basis.
- b) The actual output of compressors was as under:

Year 2005-06	84,330 units
Year 2006-07	163,090 units
Year 2007-08	233,142 units

- c) Old type of compressors will continue to be produced for existing applications whereas the new technology compressor is for additional business for the upcoming cars. They also intend to export these compressors to Europe.
- d) This technology has been successfully tested and used in Japan and Europe. This is now being introduced in India for the first time as per customer's requirement.
- e) Yes, the technology is meant only for car air-conditioners.
- f) All these items are being manufactured as per design of Sanden Corporation who shall be responsible for the installation and commissioning of the plant here in India.

The committee discussed and accepted the above replies from M/s Sanden Vikas Ltd., and recommended the application for import of equipment listed in ***Annexure II***.

Agenda Item No. 3 **Reconsideration** of 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., the largest manufacturer of Automotive safety glass and other type of glasses in India have received orders from Tata Motors to manufacture **to manufacture this PU encapsulated slider glass with microporous PU coating on the edges Asahi India is 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 15-03-2008	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.

This application was discussed in the TFSC meeting held on 21st July, 2008. The committee noted that there is need for manufacture of slider glasses in the country otherwise these will be imported by Tata motors but needed some more clarification. These are:

- (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.

M/s Asahi India Glass Limited has given the following clarifications:

- (a) Asahi India Glass Ltd., will be manufacturing and supplying these slider glasses only to Tata Motors Ltd. TATA Motors Ltd., are having plans for exporting the vehicle unit for which this slider glass will be a part. As this glass production technology is being introduced in India for the very first time it is quite possible that Asahi India Glass Ltd., might export directly to some European nations sometimes in the future. But, primarily it is to meet indigenous demand.
- (b) Yes, the planned production of Asahi India Glass Ltd., matches with that of TATA Motor Ltd. The annualized demand from Tata Motors Limited is less than our installed capacity.

Asahi India will be able to meet demand of Tata Motors Limited completely.

(c) Demand projects (Consumption) of Tata Motors Ltd, has been mentioned below:

- Financial year 2009-2010 demand is 5,000 sets/annum commencing from December 2008
- Financial year 2010-2011 – Demand is 10,000 sets/annum
- Financial year 2011-2012 – Demand is 20,000 sets/annum
- Financial year 2012-2013 – Demand is 25,000 sets/annum
- Financial year 2013-2014 – Demand is 30,000 sets/annum

Satisfied with the above replies the committee recommended the application for approval.

Additional Agenda Item No. 1 National Strategy for Transition to non-CFC **Metered Dose Inhalers (MDIs)** and Plan for Phase-out of CFCs in the Manufacture of Pharmaceutical MDI in India.

India has completed phase-out of CFCs in all manufacturing processes excepting the manufacture of Metered Dose Inhalers which are used by asthma and COPD patients. There are currently five MDIs manufacturers in India producing about 60 million units per year. Together they consume about 608.07 ODP Tonns of CFCs. In response to decisions 50/19 and 50/20 of the Executive Committee of Montreal Protocol India has prepared this project which aims at gradual transaction to non-CFC MDIs without affecting the patients by 2012. The alternative propellant proposed to be used are HFAs. Also alternative technology of dry powder Inhalers will be used.

Technical assistance for the conversion to non-CFCs MDIs is proposed to be provided through international experts and National Experts when available.

The Government of India would consider the following policy and regulatory interventions:

- 1) Control of supply of CFC based MDIs through
 - (a) Partial licensing of CFC based MDI manufacturing beyond 2009.

- (b) Ban on licensing of any new formulations or products based on CFCs
 - (c) Ban on import of CFC based MDIs.
- 2) Promotion of CFC free alternatives
- (a) By providing fiscal incentives for non-CFC alternatives and
 - (b) Fast track procedures for approval of non-CFC MDIs by Ministry of Health.
- 3) The Ozone Depleting Substance (Regulations and Controls) rules 2000 may also require some amendment.
- 4) Undertaking awareness and capacity building programmes to sensitize the stake holders on the transition to non-CFC to MDIs.

Management and monitoring of transition to non-CFC MDI will be an essential component of the project.

The total cost of the proposed plan is US \$ 61,701,934 of which MLF grant will be US\$ 26,759,319 and the balance cost US \$34,942,615 will be financed by beneficiary enterprises.

The plan as proposed will result in a sustainable transition from CFC based MDIS to HFA based MDIs phasing out CFCs in this sector by 2012.

A summary note of the proposal is attached in ***Annexure III***.

The committee did not agree to discuss the project as it was circulated in the meeting itself and members had no time to study it.

It was decided to convene the next meeting of TFSC on 26th August, 2008. The relatively short notice is necessary to enable the placement of the item at the Executive committee of Montreal Protocol scheduled in October 2008.

Members who were present in this meeting were requested to bring the note with them for the next meeting on 26th August 2008.

The meeting ended with vote of thanks to the Chair.



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	Shri R. Balasubramaniyan, Regional Secretary, India Chemical Manufacturers Association (ICMA), 209 G.K. House, 187-A Sant Nagar, New Delhi – 110065 Tel : 91-11-9810690755 Fax : 26836838	Member
3	Shri H.S. Kaintura Deputy Industrial Adviser, Ministry of Chemicals & Petrochemicals, Room No. – 227, Department of Chem. & Petro-Chemical, Shastri Bhavan, New Delhi – 110001 Ph. : 23063359, 23382601	Member
4	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
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. 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)
9	Shri Mahinder Singh, Administrative Officer, 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