

Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Thursday, 11th December, 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**)

Dr. A. Duraisamy, Director (O) welcomed the Members and informed them that two applications viz. that of **M/s Sanden Vikas India Ltd.**, Faridabad and **M/s Asahi India Glass Ltd.**, Roorkee were considered along with the application of **M/s Jaycee Autofab Pvt. Ltd.**, Faridabad by the TFSC in its meeting held on 19th August, 2008.

The committee had recommended all the three applications.

The Minutes of the TFSC meeting held on 19th August, 2008 were circulated to the Members. No comments have been received. The Minutes were adopted.

The Director (O), further mentioned that a special project on “National Strategy for Transition to non-CFC **Metered Dose Inhalers (MDIs)** and plan for phase-out of Chlorofluoro Carbons (CFCs) in the manufacture of Pharmaceutical MDIs in India” were considered by the TFSC in its meeting held on 26th August, 2008 at 3:00 P.M. The project was prepared on behalf of the Ozone Cell, MoEF, Government of India by the UNDP in association with UNEP and Government of Italy (bilateral agency) in close cooperation with MDIs Manufacturing industries.

The TFSC had recommended the project.

Minutes of this meeting held on 26th August were circulated to the Members. No comments have been received.

The Minutes were adopted.

Action Taken:

- (I) Approval of the Chairman, Empowered Steering Committee (ESC) for Implementation of the Montreal Protocol for decisions taken in the TFSC meeting on 19th August, 2008

was taken on file and duty exemption certificates were issued for the following:

1. **M/s Jaycee Autofab Pvt. Ltd.**, Faridabad.
2. **M/s Sanden Vikas India Ltd.**, Faridabad
3. **M/s Asahi India Glass Ltd.**, Latherdeva Hoon, Roorkee

Ex-post facto approval of the ESC has been taken in its meeting held on 29th October, 2008.

- (II) Approval of ESC was also taken of the Minutes of the TFSC meeting held on 26th August, 2008 which had recommended approval of the project entitled "National Strategy for Transition to non-CFC **MDIs** and plan for phase-out of CFCs in the manufacture of Pharmaceutical MDIs in India."

The Director (O) has informed the committee that the project proposal entitled "National Strategy for Transition to non-CFC **MDIs** and plan for phase-out of CFCs in the manufacture of Pharmaceutical MDIs in India" has since been approved by 56th meeting of the Executive Committee of the Multilateral Fund in its meeting held from 8th to 12th November, 2008 at Doha, Qatar at a total cost of USD 11,053,267/- (including the cost of the Implementing Agencies) for its Implementation.

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

- Agenda Item No. 1** The application of **M/s Aster Tele Services Pvt. Ltd.**, for duty exemption for the import of one High Pressure PU Foaming machine type Ekosystem Titan 100 for manufacture of rigid PU foam Sandwich panels at Bhoothpur, Andhra Pradesh.

M/s Aster Tele Services Pvt. Ltd., Andhra Pradesh manufactures telecom products like Towers, Lightning arrestors, Aviation Lamps, Fire Alarms etc. It is an SSI unit operating from Dec. 2002 and is a part of the ASTER group.

About two years back the company had diversified into manufacture of rigid PU foam sandwich panels, for which they had imported a cannon high pressure foaming machine and received duty exemption assistance. Encouraged by the success of the diversification program, they are now undertaking a further expansion program for which they need to import another high pressure PU foaming machine details of which are given in the table below:

Table

Sr. No	Item	Qty.	Purchase Order no.	Cost in EURO	Cost in INR
1	High Pressure machine type Ekosystem Titan 100	1 Set	POHNC19JL001 Dated 30.07.2008	64,050/-	42,91,350/-
Total cost in INR					42,91,350/-
Duty @ 7.5%					3,21,851/-

The cost of imported machinery is Euro 64,050/- (INR 42.9 Lacs) and duty payable on it @ 7.5% is approx. (INR 3.22 Lacs)/-.

The company will be using HCFC-141b as the non CFC blowing agent and will be buying their pre blended raw materials from a system house supplier.

Other supporting machinery like chillers, compressors, electrical control panels, shearing machines and power press will be purchased by the company from local sources.

The expansion project will cost Rs. 8.80 Crores and will be met by internal accruals.

The committee noted that the demand for Sandwich PU foam panels for making telecom shelters is increasing very much and recommended the application for approval.

Agenda Item No. 2 The application of **M/s Ahlada Engineers Pvt. Ltd.**, Hyderabad for duty exemption for import of one high pressure Polyurethane foaming machine (model Titan-100) from M/s Ecosystems SRL, Italy for manufacture of PUF filled panels.

M/s Ahlada Engineers Pvt. Ltd., Hyderabad, manufactures metal door sets, demountable panels and clean room modular

partitions required by pharmaceuticals, bio medical industries and hospitals.

The steel panels used in these manufacturing processes are at present insulated by honeycombed paper. **The company wants to improve the product by using PU Sandwich panels. The panels will be of modular design.** They need one PU foaming machine which they are importing from Italy. The details of the foaming machine being imported is given in the table:

Table

S. No	Area	Qty	PO No. & Date	Supplier	Total value in Euro	Total Landed Cost INR
1	Titan 100 H.Pr. Foaming machine with accessories	1	441 Dated 29.07.2008	Ecosystems SRL, Italy	70,000	45,50,000
Total Price						45,50,000 or 45.5 lacs
Duty payable approx. @ 7.5%						3,41,250 or 3.41 lacs

The cost of the machine is Rs. 45.5 lacs and duty payable on it would be approx. Rs. 3.41 lacs @ 7.5%.

The company will be using low ODP HCFC-141b as the foam blowing agent.

The committee noted that this company has already established a market for manufacture of clean rooms and hospital equipment which are very much in demand and change over to PU foam insulated panels will very much improve the marketability of the products and recommended the application for approval.

Agenda Item No. 3

The application of **M/s Subros Ltd.**, Noida for duty exemption for import of 11 pieces of equipment required for expanding the capacity of manufacture of Mobile Air Conditioners in their plant at Noida.

M/s Subros Ltd., is the largest manufacturer of car Air-conditioners in India. They started with a capacity of 50,000 units per annum and gradually increased capacity to approx. 7,50,000 units per annum. They have fully equipped plants at Noida and at

IMT, Manesar (Haryana). Recently they have set up another plant at Chakan Industrial Estate, Pune to cater to the needs of Tata Motors situated near by.

M/s Subros is now focussing to increase the production at their Noida plant by setting up new manufacturing lines so that they can achieve the targeted capacity of 7.50 lac A.C. systems per annum. For this they are importing 11 pieces machinery of general type the details of which are given in the table below:

Table

For Noida Unit					
Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total value in YEN	Total CIF cost (INR)
1	Fanuc Robodrill Alpha – T14iFe with DDR260i and Fanuc Seris 31i-A	3 sets	7200000228 Dated 21.06.08 Fanuc Ltd.,	2,28,00,000 JY	95,76,000/-
2	OKA Standard Fin Machine FOS-100	1 set	7200000237 Dated 25.09.08 Logics Corporation	2,83,46,000/- JY	1,19,05,320/-
3	High-Flex Press Model NC-2- 1600 (2) E	1 set	7200000238 Dated 25.09.08 Logics Corporation	2,33,05,000/- JY	97,88,100/-
4	Core Assy machine Core Size 80-300mm	1 set	7200000239 Dated 25.09.08 Logics Corporation	57,920/- USD	26,06,400/-
5	Core Assy machine core size 350-800mm	1 set	7200000239 Dated 25.09.08 Logics Corporation	61,210/- USD	27,54,450/-
6	Universal Tank Clinching machine	1 set	7200000240 Dated 27.09.08 Logics Corporation	75,340/- USD	33,90,300/-
7	Universal Tube Flaring machine	1 set	7200000240 Logics Corporation	56,500/- USD	25,42,500/-

SI	Description of eqpt.	Qty	P.O. No, Date & Supplier	PO value in YEN	Total CIF cost (INR)
8	Die Casting Die for Front Cylindrical Block	1 No	7200000241 Dated 27.09.08 Sumitomo Corporation	2,56,63,000/- JY	1,07,78,460/-
9	Die Casting Die for Front Housing	1 No	7200000241 Dated 27.09.08 Sumitomo Corporation	2,66,63,000/- JY	1,11,98,460/-
10	Die Casting Die for Rear Housing	1 No	7200000241 Dated 27.09.08 Sumitomo Corporation	1,98,49,000/- JY	83,36,580/-
For Manesar Unit					
11	Balancing Machine Model VG-2-10KE wit 15" LCD screen for YC5 HVAC Fan and Motor.	1 No	7200000232 Dated 21.07.08 Logics Corporation	84,50,000/- JY	35,49,000/-
Total amount INR					7,64,25,570/-
Duty payable Appox. @ 7.5%					57,31,917.75

The total cost of all these machineries is Rs. 7.64 Crores and duty payable on it at the rate of 7.5% is approximately Rs. 57.31 lacs. The expansion project will be financed from their internal accruals.

It may be mentioned that the machinery being imported are general purpose manufacturing machines. Duty exemption for similar machines have been approved for them and for other MAC manufacturers many times earlier.

The committee noted that the demand for Mobile Air-Conditioners is increasing in country with expanding automobile industry and there is need for increasing production of MACs from existing facilities and recommended the application for approval.

Agenda Item No. 4

The application of **M/s Global Autotech Ltd.**, Greater Noida (U.P) for duty exemption for import of one Buldge and Spinning machine (model no. KE-20 Ds-3) from Japan for expansion of capacity and indigenization of manufacture of Hose Connectors for Mobile Air – Conditioners.

M/s Global Autotech, a company closely associated with **M/s Subros Ltd.**, is engaged in the manufacture of parts and components of MACs which at present are totally supplied to **M/s Subros Ltd.** Due to increased demand from **M/s Subros Ltd.**, **M/s Global Autotech Ltd.**, is now enhancing their capacity of manufacture of **Hose Connectors**. For this they are importing one Buldge and Spinning machine from M/s Logics Corporation, Japan details of which are given in the table below:

Table

S. No	Area	Machine Equipment Req'd. /	Qty	PO/LOI No. Date	Supplier Source	FOB /CIF Value	Total Landed Cost INR (Lacs)
1	Hose Connector	COMCO Model No. KE-20 DS-3 Buldge & Spinning Machine	1	GAL/6F/IMP /086 Dated 12.04.08	Logics Corporation Japan	JPY 1,47,50,000	77.88/-
Total Price							77.88 lacs
Duty payable approx. @ 7.5%							5.84 lacs

The total cost of machinery is Rs. 77.88 Lacs and duty on it @ 7.5% would be approx. Rs. 5.84 lacs. The cost will be met by internal accruals.

After installation of this equipment their capacity for Hose Connectors will increase from 6 lac kits to 6.5 lac kits per annum.

The committee noted that this equipment is essential for the expansion program of the company and recommended the application for approval.

Agenda Item No. 5

The application of **Ms. Sanden Vikas India Ltd.**, Faridabad, for duty exemption for import of two sets of Compressor Endurance Testing machines for process validation testing in the manufacture of new type of variable compressor for MACs.

M/s Sanden Vikas India Limited is a large manufacturer of Mobile Air Conditioners (MACs) in India, with a currently projected capacity is 2,50,000 units per year.

The company has recently started the manufacture of a **new type of highly efficient energy saving SD6V/SD7V type of variable compressors for MACs**. These can control excessive power consumption by infinitive variable displacement and also have highly reliable power transmission by using wobble plate technology.

As with any new product these compressors need to undergo stringent endurance tests for various parameters before marketing. For this the company is **importing two sets of compressor endurance testing machines** from Japan details of which are given in the table below:

Table

Sl. No	Equipment	P.O No and Dated	Qty.	Price in (JPY)	Price in INR
1	Compressor Endurance Testing Machines	PIM000414 Dated 09.09.2008	2 Sets	5,15,00,000/-	2,06,00,000/-
Total Amount				5,15,00,000/-	2,06,00,000/-
Approx. Duty @ 7.5%					15.45 lakhs

The total cost of these two sets of machines is Rs. 206 Lakhs and duty payable on it is appox. Rs. 15.45 lakhs @ 7.5%. The total cost will be met from internal accruals.

The committee, noting that these endurance testing machines are essential for ensuring the quality of the new type variable compressors before marketing, recommended the application for approval.

Agenda Item No. 6

The application of **M/s Sanden Vikas India Ltd.**, Faridabad, for duty exemption for import of Injection moulds and additional equipment required for indigenization of new type of variable compressors parts.

M/s Sanden Vikas India Limited, a large manufacturer of Mobile Air Conditioners (MACs) in India with current production capacity of 2,50,000 units per year, is now importing three sets of moulds for plastic injection parts needed for Mobile Air-Conditioner for new models of cars in the market.

They are also embarking on a program of indigenization of several components of the newly introduced variable displacement compressors, the manufacture of which has been started recently. Five sets of machinery are needed for this purpose. Details of these machinery being imported is given in the table below:

Table

Sl. No	Equipment	P.O No and Dated	Qty. No.	Price in	Price in INR
1	Plastic Injection Moulds	SVL/IMP/90 Dated 31.10.2008	15	2,84,915 USD	1,42,45,750/-
2	Plastic Injection Moulds	SVL/IMP/91 Dated 31.10.2008	3	37,160 USD	18,58,000/-
3	Plastic Injection Moulds	SVL/IMP/92 Dated 31.10.2008	1	23,200 USD	11,60,000/-
4	Core Assy machines	SVL/IMP/201 Dated 17.11.2008	15	7,04,71,000 JPY	3,66,44,920/-
	Rotor / Armature Assy machines		5		
	Port Pin Press Machine		1		
	Pad Assy machine		1		

Sl. No	Equipment	P.O No and Dated	Qty. No.	Price in	Price in INR
5	Tsugami CNC Thread Rolling machine (In-feed type) with standard accessories.	SVL/IMP/202 Dated 17.11.2008	1	2,12,00,000 JPY	1,10,24,000/-
6	Paragon CNC centre less grinding machine with standard accessories.	SVL/IMP/203 Dated 17.11.2008	1	1,30,000 USD	65,00,000/-
7	Tornos Delta 20/4II with standard accessories.	SVL/IMP/204 Dated 17.11.2008	1	1,65,000 CHF	66,00,000/-
8	Palmary CNC Cylindrical grinding machine with standard accessories.	SVL/IMP/205 Dated 17.11.2008	1	1,30,000 USD	65,00,000/-
Total Amount					8,45,32,670/-
Approx. Duty @ 7.5%					63,39,950/-

The total cost of these machines is Rs. 8.45 crores and duty payable on it would be approximately Rs. 63.4 lacs.

The machines listed above are general manufacturing equipment and the new type of compressors are designed for use with non-ODS refrigerant HFC-134a.

Noting that the moulds are essential for manufacture of plastic parts of Mobile Air-Conditioners of new models of cars which have come in the market and equipment listed in serial number 4 to 8 are needed for import substitution of some parts of the newly introduced variable compressors, the committee recommended the application for approval.

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	Dr. Sunil Abrol, Director General, Consultancy Development Centre, India Habitat Centre, Lodhi Road, New Delhi – 110003 Ph. 24648268 (Dir), 4602601/2915	Member
3	Shri. S.K. Agarwal 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	Deputed by Dr. Izzatullah,
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	Ms. Nidhi Ladha, Confederation of Indian Industry, Env. Policy Division, India Habitat Centre, Zone IV 4 th Floor, Lodhi Road New Delhi – 110003	Deputed by Sh. K.P. Nyati
6	Shri R. Balasubramanian, Regional Secretary, India Chemical Manufacturers Association (ICMA), 209 G.K. House, 187-A Sant Nagar, New Delhi – 110065	Member
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	<p>Shri. Amit Gulati, Audit Coordinator (PMU) Project Management Unit (PMU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003</p>	(Special invitee)
9	<p>Prof. S.K. Mukerjee, Consultant, Ozone Cell, Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003</p>	Consultant
10	<p>Dr. A. Duraisamy, Director (Ozone Cell), Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003</p>	Member Secretary