

**Agenda Item No. 1:** The application of M/s Subros Ltd. Noida for duty exemption for import of 17 pieces of equipment for indigenous manufacture of R. S evaporators and fan blowers used in Mobile Air Conditioners.

**M/s Subros Ltd.** is the largest manufacturer of car Air Conditioners in India with a capacity of 7, 50,000 units per annum. They have fully equipped plants at Noida, IMT Manesar (Haryana) and at Pune, Maharashtra. The Company has been always innovating and introducing better components in their manufacturing process. In this effort their collaborators M/s. Denso Corporation has been very helpful and encouraging.

Some time back M/s. Subros Ltd., introduced a new type of evaporators known as R. S. Evaporator (Revolutionary Slim Evaporator) with high weight efficiency ratio from Japan. This evaporator is lighter than the ones used earlier, have better heat exchanger fins and special coating on surfaces which makes it dirt and bacteria free and reduces fungal growth. At present they are importing this evaporator but after seeing its utility they have decided to undertake its manufacture indigenously at their Noida plant. For this they need to import 17 pieces of machinery shown in the **Group A** in **Table I**.

They also want to start indigenous manufacture of fan blowers for which they need to import two pieces equipment also shown as **Group B** in the **Table I** next page.

M/s. Subros have asked for duty exemption for import of these 19 pieces of equipment.

TABLE : I

## Group A : Equipment needed for R. S. Evaporator.

S. No.	Description of eqpt.	Qty	P.O No, Date & Supplier	Total amount (FOB/CIF value)	Total CIF cost (Rs. In lacs)
1	Surface Treatment Machine for New Clean Coat	1 Set	7200000 <b>247</b> Dated 18.04.2009 <b>Sumitomo Corporation</b>	21,11,81,000/- Yen	10,13,66,880/-
2	Fin forming machine for R S Evaporator	1 Set	7200000 <b>248</b> Dated 22.04.2009 <b>Sumitomo Corporation</b>	5,40,77,500/- Yen	2,59,57,200/-
3	Core Assembly Machine	1 Set	7200000 <b>253</b> Dated 16.07.2009 <b>DENSO THAILAND CO. LTD.,)</b>	81,659/06 USD	39,60,464/41
4	Plate Header Machine	1 Set	7200000 <b>254</b> Dated 16.07.2009 -do-	37,715/64 USD	18,29,208/54
5	Cap Cup Assembly Machine	1 Set	7200000 <b>255</b> Dated 16.07.2009 -do-	35,884/69 USD	17,40,407/47
6	Wiring Machine	1 Set	7200000 <b>256</b> Dated 16.07.2009 -do-	28,560/77 USD	13,85,197/35
7	Cup Crimping Jig	1 Set	7200000 <b>257</b> Dated 16.07.2009 -do-	17,209/54 USD	8,34,662/69
8	Separator Cutting Die	1 Set	7200000 <b>258</b> Dated 16.07.2009 -do-	27,460/54 USD	13,31,836/19

S. No.	Description of eqpt.	Qty	P.O No, Date & Supplier	Total amount (FOB/CIF value)	Total CIF cost (Rs. In lacs)
9	Cap Cutting Die	1 Set	7200000 <b>259</b> Dated 16.07.2009 -do-	23,814/37 USD	11,54,996/95
10	Cup Cutting Die	1 Set	7200000 <b>260</b> 16.07.2009 -do-	25,629/56 USD	12,43,033/66
11	Separator Cutting Press	1 Set	7200000 <b>261</b> Dated 16.07.2009 -do-	47,601/29 USD	23,08,662/57
12	Cap Cutting Press	1 Set	7200000 <b>262</b> Dated 16.07.2009 <b>DENSO THAILAND CO. LTD.,)</b>	47,601/29 USD	23,08,662/57
13	Cup Cutting Press	1 Set	7200000 <b>263</b> Dated 16.07.2009 -do-	36,615/44 USD	17,75,848/84
14	Cup Plate Crimping Jig	1 Set	7200000 <b>264</b> Dated 16.07.2009 -do-	12,889/90 USD	6,25,160/15
15	Inner Leak and Moisture Testing Machine	1 Set	7200000 <b>266</b> Dated 15.06.2009 <b>Sumitomo Corporation</b>	89,20,000/- Yen	42,81,600/-
16	Contour Tracing Measuring Machine Model Contourecord 1710SD23N	1 Set	7200000 <b>267</b> Dated 16.07.2009 <b>Tokyo Seimtsu</b>	40,00,000/- Yen	19,20,000/-
17	Internal Corrosion Test System with Transformer.	1 Set	7200000 <b>246</b> Dated 01.04.2009 <b>Logics Corporation</b>	72,50,000/- Yen	34,80,000/-
<b>Total cost</b>					<b>157503821/39</b>

**Group B : Equipment needed for fan blowers**

S. No.	Description of eqpt.	Qty	P.O No, Date & Supplier	Total amount (FOB/CIF value)	Total CIF cost (Rs. In lacs)
1	Blower Fan Molding Die of YG4	1 Set	7200000 <b>249</b> Dated 27.05.2009 <b>Sumitomo Corporation</b>	1,19,97,400/- Yen	57,58,752/-
2	Horizontal Balancing Machine 2 Surface Type Model HGB-4KEL Special	1 Set	7200000 <b>268</b> Dated 16.07.2009 <b>Logics Corporation</b>	77,20,000/- Yen	37,05,600/-
<b>Total cost</b>					<b>94,64,352/-</b>

**Total in Rs. = 16,69,68,173/37**  
**Approx. duty @7.5% = 1,25,22,613/-**

The total cost of equipment being imported now is Rs. 16.697 Crores and duty payable on it @ 7.5% would be approx. 1.252 Crores. The entire cost of the projects would be funded by internal accruals.

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

The company has submitted all the necessary supporting documents

The committee may consider the application.



**Agenda Item No. 2:** The application of **M/s Krishna Maruti Ltd.**, Pune for duty exemption for import of one PEC make Polyurethane 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 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 supplies 59% of the car seat cushion requirement of Maruti Suzuki India Ltd.

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 of cars.

The company has plans to diversify into manufacture of car roof head liners, bus and railway seats. They also supply to Honda Motorcycle India Ltd., and SMC Two Wheeler Ltd.

**M/s Krishna Maruti Ltd.**, is now setting up a new car seat cushion plant at village Bhosa, Distt. Pune (Maharashtra) as a part of their expansion program to meet the demand of western customers like Tata Motors, Fiat, Mahindra and Volkswagen all located near Pune.

For this they intend 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 0.52)
1	PEC make PU Plant – One. (Details of the plant may be seen in <b>Annex. – 1</b> )	IO / KML / SDM/09-02  Dated 12-08-09	M/s Sojitz Corporation, 1 – 20, Akasaka, 6 – Chome, Minato - Ku, Tokyo 107-8655, Japan	12,92,92,350	6,72,32,022/-
<b>Total cost of machinery</b>					<b>6,72,32,022/-</b>
<b>Duty payable approx. @ 7.5%</b>					<b>50.4 lacs</b>

The capacity of the new seat cushion plant is 1,75,560 seats per annum.

The total cost of the project is Rs. 755 Lacs. It will be financed partly by a term loan of Rs 453 Lacs from the State Bank of Hyderabad.

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 will be disposed off by selling to authorized scrap dealers.

They have submitted all the supporting documents.

It may be mentioned that a similar plant for manufacturing car seats at Manesar, Gurgaon have been approved for this company recently.

The committee may consider the application.



**Agenda Item No. 3:** The application of M/s Subros Ltd., Noida, for duty exemption for import of equipment for (i) capacity enhancement (ii) R. S. Evaporators (additional equipment) and (iii) leak detection equipment for their MAC manufacturing plant at Noida.

**M/s Subros Ltd.** is the largest manufacturer of Mobile Air Conditioners in India. They started with a capacity of 50,000 units per annum and gradually increased their capacity to 7, 50,000 units per annum. They were first to convert to non-ODS technology aided by funds from MPMF for their subsequent expansions they have received duty exemption assistance many times earlier. This is their 16<sup>th</sup> application for duty exemption assistance. M/s Subros have mentioned that they are now trying to change from HFC-134a to other non-ODS refrigerant with low GWP.

The company is now expanding the capacity of the plant at Noida and are introducing new products for which they need to import ten pieces of equipment, grouped as shown in the Table and have requested for duty exemption for import of these equipment.

**Group A:** Five pieces of equipment listed in the table needed for further expansion of their condenser manufacturing capacity.

**Group B:** Four pieces of additional equipment required for manufacture of R.S. evaporators started recently.

**Group C:** One vacuum leak detecting machine for starting manufacture of Bus-AC system, a new product.

The details of machinery being imported in given in the Table.

**TABLE**

**Group A : Equipment Required for Capacity Enhancement**

S. No.	Description of eqpt.	Qty	P.O No, Date & Supplier	Total amount (FOB/CIF value in JPY)	Total CIF cost (Rs)
1	Fanuc Robodrill Alpha T14iFb with Fanuc Series 31i-A with options.	1 Set	7200000 <b>275</b> Dated 24.09.2009 <b>Fanuc Ltd., Japan</b>	58,48,770/-	30,41,360/-
2	Fanuc Robodrill Alpha T14iFb with Fanuc Series 31i-A and DDR with options.	3 Sets	7200000 <b>275</b> Dated 24.09.2009 <b>Do</b>	2,20,74,390/-	1,14,78,683/-

S. No.	Description of eqpt.	Qty	P.O No, Date & Supplier	Total amount (FOB/CIF value in JPY)	Total CIF cost (Rs)
3	Fanuc Robodrill Alpha T14iFb with Fanuc Series 31i-A with options.	1 set	7200000 <b>276</b> Dated 24.09.2009 <b>Do</b>	58,48,770/-	30,41,360/-
4	Fanuc Robodrill Alpha T14iFb with Fanuc Series 31i-A and DDR with options.	4 sets	7200000 <b>276</b> Dated 24.09.2009 <b>Do</b>	2,94,32,520/-	1,53,04,910/-
5	Automatic Pulley Tig Welding system	1 set	7200000 <b>270</b> Dated 01.09.2009 <b>Logics Corporation</b>	1,05,00,000/-	54,60,000/-
<b>Group B: Equipment Required for R. S. Evaporator (New Technology)</b>					
1	Drop Master Model DM 501	1 set	7200000 <b>269</b> Dated 01.09.2009 <b>Logics Corporation</b>	29,00,000/-	15,08,000/-
2	Rigaku/Automatic Sequential X Ray Spectrometer System Primini 1 sample Inlet Type (Vas.) with accessories	1 set	7200000 <b>273</b> Dated 24.09.2009 <b>Rigaku Corporation, Japan</b>	90,30,580/-	46,95,902/-
3	Total Organic Carbon Analyzer Model TOC VCSH, High Sensitivity by using Combustion technique with stand alone alongwith standard accessories.	1 set	7200000 <b>274</b> Dated 24.09.2009 <b>Shimadzu (Asia Pacific Pte Ltd., Singapore)</b>	32,00,000/-	16,64,000/-
4	Helium Leak Testing Machine	1 set	7200000 <b>277</b> Dated 25.09.2009 <b>Logics Corporation</b>	2,30,00,000/-	1,19,60,000/-

<b>Group C: Equipment Required for New Product Capability (Bus A/C)</b>					
<b>S. No.</b>	<b>Description of eqpt.</b>	<b>Qty</b>	<b>P.O No, Date &amp; Supplier</b>	<b>Total amount (FOB/CIF value in JPY)</b>	<b>Total CIF cost (Rs)</b>
1	Vaccum Leak detecting machine.	1 set	7200000 <b>278</b>  Dated 25.09.2009  <b>Logics Corporation</b>	26,00,000/-	13,52,000/-
<b>Total amount INR</b>					<b>5,95,06,215</b>
<b>Duty payable approx. 7.5%</b>					<b>44,62,966.12</b>

The total cost of all these machinery now being imported is Rs. 5.95 crores. It will be financed from their internal resources. Duty on it will be approx. Rs. 45 lacs @ 7.5%.

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

The company has submitted all the necessary supporting documents.

The committee may consider the application.



**Agenda Item No. 4**

The application of M/s IC ICE Make Refrigeration Pvt. Ltd., Ahmedabad, for import of one high pressure polyurethane foaming machine for manufacture of rigid foam sandwich panels required for making cold rooms for food and agro storage industries.

**M/s IC ICE Make Refrigeration Pvt. Ltd.**, is a recently formed subsidiary of M/s ICE Make Refrigeration, a reputed manufacturer of refrigeration equipment like water coolers, milk chillers, commercial cold rooms in hotels and restaurants etc since 1989 at Subhash Industrial Estate, Ahmedabad. The new company M/s IC ICE Make Refrigeration Pvt. Ltd., was formed in March 2009 with the aim of diversification into manufacture of PU foam sandwich panels which have a good market for food, pharmacy and agro storage industries. The new subsidiary company is located at a bigger place in Dantali Industries Estate at Gandhi Nagar, Ahmedabad. Some of the earlier manufacturing has also been shifted to the new place.

For manufacturing PU foam sandwich panels, the new company is importing a high pressure PU foaming machine, Cannon-A, compact 200 from M/s Afros spa Italy. Details of the machine being imported is given in the Table.

**Table**

<b>Sl. No</b>	<b>Description of Equipment</b>	<b>Qty</b>	<b>Amount in (Euro)</b>	<b>Price in INR</b>
1	<b>High Pressure Polyurethane Foaming Machine</b> Cannon A-Compact 200 FC with FPL-24 mix head	1 No	100,000/-	70,00,000/-
<b>Total</b>				<b>Rs. 70,00,000/-</b>
<b>Approx. Duty @ 7.5%</b>				<b>Rs. 5.5 lacs</b>

The total cost of the machine is Rs. 70 lacs and the duty payable on it @ 7.5% would be approx. Rs. 5.5 lacs.

The projected capacity of the new plant is 75,000 Sq. ft of PU panels per month.

The cost of the project is approx. Rs. 5.2 crores. It will be financed partly by a term loan of 310 lacs from Canara Bank, Ahmedabad and rest by internal accruals.

It may be mentioned that manufacture of cold storages is a thrust area of Government of India and importation of similar machines for manufacture of foam panels has been recommended for a large number of panel manufactures.

The company has submitted all other supporting documents.

The committee may consider the application.



**Agenda Item No. 5:** The application of **M/s. Techno Electronics Ltd., Kashipur** (Uttarakhand) for duty exemption for import of one Vacuum Forming machine (FM-F1) for their integrated refrigerator and Air Conditioners manufacturing plant.

**M/s. Techno Electronics Ltd., is the new name of an unit of M/s Videocon Industries Ltd.,** who had embarked on a new venture of manufacturing energy efficient non-CFC refrigerators of both no-frost and direct cool type of capacity 600,000 units per annum and air conditioners (300,000 units) at Kashipur, Uttarakhand taking advantage of tax and other incentives offered by the State Government. **The name was changed to M/s Techno Electronics Ltd., at the start of phase II of their operations and all assets created in Phase I was transferred to the new company.**

**In the manufacture of refrigerators the company is using eco-friendly foam blowing agent, cyclopentane and eco-friendly refrigerant R-410a anticipating that HCFCs will have to be given up.**

For their refrigerator manufacturing plant they imported earlier in 2007 one vacuum forming machine but for increasing the production they need to import one more vacuum forming machine now along with some spares. The application is for duty exemption for the import of this vacuum forming machine (9FM-F1) and some spares from south Korea.

The details of the machine being imported is shown in the table

**Table**

<b>S. No.</b>	<b>Description of Equipment</b>	<b>Qty/ Unit</b>	<b>Purchase Order No. &amp; dated</b>	<b>FOB Price USD</b>	<b>FOB Price in INR</b>
1	Vacuum Forming Machine (FM-F1)	1 set	32007952 Dated 13.06.2009	7,25,000/-	3,92,76,875/-
2	Spares	1 set	32007952 Dated 13.06.2009	29,000/-	15,71,075/-
<b>Total</b>					<b>4,08,47,950/-</b>
<b>Duty payable @ 7.5%</b>					<b>30.6 lacs</b>

The total cost of the imported equipment is Rs. **4.08 Crores** and duty payable @ 7.5% is Rs. 30.6 lacs. It will be financed from internal accruals.

The machine will be supplied by M/s Shinhyo, South Korea.

This is the 6<sup>th</sup> application for duty exemption from M/s Videocon Industries Ltd., and second application from M/s Techno Electronics Ltd.,

The company has submitted all the supporting documents.

It may be mentioned that similar equipment has been recommended earlier for this company as well as for some others and vacuum forming machine is a standard machine for making plastic bodies of refrigerators.

The Committee may consider the application.



**Additional Agenda Item No. 1 :** The application of **M/s Whirlpool India Pvt. Ltd.**, for duty exemption for import of one PU foam processing machine (A-compact 40 Penta) for changing over to cyclopentane foam blowing agent in their refrigerator door manufacturing plant at Ranjangaon, Pune.

M/s Whirlpool of India Ltd., a subsidiary of Whirlpool corporation, US started manufacturing non-CFC refrigerators in India by acquiring Kelvinator India in 1995 at Faridabad. They started a second non-CFC refrigerator plant at Ranjangaon, Dist Pune in 1996 with state of the art technology. They were the first to receive duty exemption assistance for import of some of the equipment for this plant in 1998.

The company was using HCFC-141b for foam insulation and HFC-134a as the refrigerant in this plant from the beginning. They have now decided to change over to non-ODS foam blowing agent, cyclopentane in line with the recent guidelines given by Montreal Protocol and MoEF. To begin with they have planned to convert the refrigerator door making plant for use with cyclopentane. For this they are importing a PU foam processing machine (cannon A-compact 40) from M/s Cannon Crios, Italy and have applied for duty exemption assistance. The details of the foam processing machine is given in the table.

**Table**

<b>Sl. No</b>	<b>Equipment</b>	<b>P.O. No &amp; Date</b>	<b>Source</b>	<b>Price in Euro</b>	<b>Price (Rs. In lacs)</b>
1	Polyurethane Foam processing machine A-compact 40 Penta	1201017387 Date 13.11.2009	Crios Cannon SPA, Italy	3,10,000	213.93
<b>Total</b>					<b>213.93</b>
<b>Duty payable @ 7.5%</b>					<b>16.0 lacs</b>

The cost of this pilot project for conversion to cyclopentane blowing agent would be Rs 3 crores including the cost of this

imported equipment and related infrastructure. It will be met from internal accruals.

The capacity of the new door processing plant is estimated to be 1.2 lac doors per year working on a single shift basis.

The company has submitted proper purchase orders and other supporting documents. This is the first conversion project from HCFC – 141b to non-ODS foam blowing agent. The experience gained will enable the company to convert fully to non-ODS foam blowing in their large refrigerator plant.

The committee may consider the application.

