

**Minutes of the Technology and Finance Standing Committee (TFSC)
Meeting held on Wednesday, 21st November, 2012 at 11:30 A.M. in the
Conference Room of CDC, Core 4 B, 2nd Floor, India Habitat Centre,
Lodhi Road, New Delhi – 110 003.**

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List of participants is attached as **Annexure - I.**

The Minutes of the TFSC meeting held on 30th May, 2012 were circulated to all the Members of the Committee. Since, no comments have been received, the Minutes were adopted.

Dr. A. Duraisamy, Director (O) and Member Secretary, TFSC welcomed the Members and informed that the Chairman Dr. B. Sengupta is not able to attend the Meeting due to some pressing engagements and has authorized him to select the senior most Member to Chair the Meeting. Accordingly the name of Mr. H.S. Kaparwan was proposed with consensus to Chair the Meeting.

The Director (O) then apprised the Committee about the actions taken by the Ozone Cell on recommendations made by the TFSC in its meeting held on 30th May, 2012.

Action Taken: The following four applications were considered for issuance of duty exemption certificate for import of goods needed for manufacturing activity with non-ODS technology:

1. M/s Subros Ltd., Noida, U.P.
2. M/s Global Autotech Ltd., Greater Noida (U.P)
3. M/s Sanden Vikas India Limited, Faridabad
4. M/s Sanden Vikas Precision Parts Pvt. Ltd., Neemrana Rajasthan

All four applicants gave presentation in support of their projects before the Committee which were further discussed in detail and found suitable for issuance of duty exemption certificates. The TFSC recommended approval of the project, for duty exemption by the ESC. The ESC approved the projects for issuance of duty exemption certificates in its meeting held on 6th June, 2012.

The Committee then considered the following Agenda items:

Agenda Item No. 1 The application of **M/s Nilkamal Ltd, Sinnar (Nasik)** for duty exemption for import of one CANON AP-30 High Pressure PU foaming machine.

M/s Nilkamal Limited is a large private company manufacturing various HDPE moulded articles like crates, pallets, insulated ice boxes, roto-moulded crates and other moulded HDPE articles. The group has 8 factories in different parts of the country as well as in Bangladesh and Nepal.

At Sinnar (Nasik, Maharashtra) they manufacture insulated polyethylene ice boxes using polyurethane foam for insulation. Due to increased demand they have to increase their capacity and have decided to buy a Cannon AP 30 high pressure foaming machine from Cannon Afros S.p.A. Italy.

They have already purchased and installed a roto-moulding machine and need only a foaming machine to start the operations. 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 to be used with CFC-Free Technology.	1 Unit	NKL/SINNAR/001/2012-2013 Dated 23/06/2012	39,000/-	27,76,020/-
Total amount					27,76,020/-
Duty payable approx. @ 7.5% approx.					2.1 lakhs

The total cost of the machine is Euro 39,000/- (Rs. 27,76,020/-) and it will be met from their own resources.

In their presentation before the Committee, the company representative explained that they are currently using HCFC 141b as the foam blowing agent

but with the new machine they are going to use alternative non-HCFC foam blowing agent in keeping with the policy of the Government to stop the use of HCFCs. On being asked, he could not mention the exact alternative foam blowing agent they are planning to use with the new machine.

The Committee deferred decision on the application until information is obtained from the company regarding the alternative new foam blowing agent.

Agenda Item No. 2: The application of the **M/s Delphi Automotive Systems Pvt. Ltd.**, Greater Noida (UP) for duty exemption for import of 14 pieces of equipment needed for manufacture of heat exchangers of mobile air conditioner in their expansion program.

M/s Delphi Automotive Systems Pvt. Ltd., informed that they have released the capital goods included in the above application by payment of full duty as they required the goods very urgently to start the project. They have requested that the application may be considered as withdrawn.

Agenda Item No. 3 : The application of **M/s Whirlpool India Pvt. Ltd., Pune** for duty exemption for import of foaming machines and safety equipment needed for change over to cyclopentane as foam blowing agent in their refrigerator manufacturing plant at Ranjangaon, Pune.

M/s Whirlpool India Pvt. Ltd., a subsidiary of M/s Whirlpool Corporation, USA, is a manufacturer of domestic refrigerators having plants at Faridabad and a very modern one at Ranjangaon Pune. For polyurethane foam insulation in the Pune plant they are using currently HCFC-141b for foam blowing. They have now undertaken a plan to change over to the use of

cyclopentane as the foam blowing agent as HCFCs are going to be phased out in the country in near future.

To acquire experience with the storage and proper use of cyclopentane (known for fire hazard) they first converted only the refrigerator door making plant for use with cyclopentane and received duty exemption assistance for importing a foaming machine.

With the experience gained they have now decided to convert the entire plant including the refrigerator body making plant with cyclopentane blown PU foam insulation.

For this purpose they are importing 31 pieces of equipment shown in the table below and have applied for duty exemption for it. The equipments include C-pentane compatible foaming machine, for cabinet insulation, premix units and safety related equipments like ventilation, gas leak detecting units, explosion proof tanks etc.

Table

S. No	Description of Equipment	Qty	P.O. No and Date	Price in FOB(US\$)	Price in INR
1	Import of machine for conversion to foam blowing with cyclopentane and accessories as per (Annexure 2)	27Nos	1201032982 Dated 10.05.2012	889140 US\$	4,93,47,270/-
2	Cabinet Thermoforming machine including 150 Ton Trimming Press as per (Annexure 3)	2 Nos	1201033944 Dated 22,06.2012	6,68,000 EURO	4,73,61,200/-
3	Pentane compatible foaming fixture as per (Annexure 4)	2 Nos	1201035848 Dated 1.10.2012	1,20,000 EURO	85,08,000/-
Total					10,52,16,470/-
Duty payable approx. @ 7.5%					78,91,235.25

Total cost of this project to change over to foam blowing with cyclopentane is Rs. 10 crores and it will be met from their internal accruals. The import duty payable on it @ 7.5% would be approx. Rs. 78 lacs.

Some of the items in Annexure 2 (item No. 7 and 8) are items which are being imported to retrofit old machines working with HCFC-141b to machines which will now be working with cyclopentane and are mostly safety related.

The company is also using this opportunity to undertake some expansion. For this they are importing one cabinet thermoforming machine along with a trimming press (Annexure 3) for making the plastic inner body of refrigerators. They are also importing two new foaming fixtures (Annexure 4).

In their presentation before the Committee, the company representative justified the use of machinery specially the safety and ventilation system which are needed as the use of cyclopentane in such a plant involves very large chances of fire hazards.

The Committee discussed the application in detail and observed that the items being imported are largely safety related and is essential for the safe operation of the plant.

The Committee recommended the application for approval of duty exemption on condition that

- (a) The company certifies that the use of the safety systems would be extended to the new plants (mentioned in Annexure 2 & 3 of the application).
- (b) The clearance certificate which they have taken from the Directorate of Explosives, Nagpur for operation with cyclopentane in their door foaming unit is properly validated for use with the new units using cyclopentane and documents should be provided showing this extended use.
- (c) In addition the company should provide clearance and NOC from local fire authorities where the factory is situated.

Agenda Item No. 4

The application of **M/s Subros Ltd.**, Noida, for duty exemption for import of 11 pieces of equipment needed for enhancing the production capacity at their Noida (U.P) plant.

M/s Subros Ltd., is the largest manufacturer of car air-conditioners in India with a capacity of 7,50,000 units manufactured in their plants at Noida (U.P.), IMT Manesar (Haryana), Pune (Maharashtra), Sanand (Gujarat) and Chennai (Tamil Nadu). The company has been always innovating and introducing better components in their manufacturing process leading to better products.

M/s Subros has now developed through their own research efforts a very efficient evaporator for MACs. This is known as Fin tube evaporator. They have also developed new type of condensers known as step – 4 condenser for MACs. These are very thin heat exchanger systems designed for the MACs manufactured by them. They now want to manufacture these on a large scale and have applied for import of machinery shown as items 1 to 9 in the table below needed for this. In addition they need two equipment (item Nos. 10 and 11 in the table) required for increasing their capacity in the Noida plant.

Table

S. No	Description of eqpt.	Qty	P.O No, & Date	Total amount in (FOB/CIF value)	Total CIF cost (Rs. In lacs)
Group A : Equipment required for New Technology					
Fin Tube Evaporator & Step – 4 Condenser					
1	OKA Standard Fin Machine FOS – 100	1 Nos	7200000436 Dated 11.05.2012	2,35,00,000 /- J Yen	1,64,50,000 /-
2	Vacuum Leak Detecting Machine	1 Nos	7200000437 Dated 14.05.2012	33,00,000/- J Yen	23,10,000/-
3	a)Hidaka – ES – 50 Fin Press Line	1 set	7200000443	5,20,00,000/- J Yen	3,64,00,000/-

	b) Press Body: ES 50 Fin press c) Optional Accessories d) Position shuttle type manual fin stacker e) HIDAKA dia 8.3 Fin per stroke type Fin Die f) Corner cut special Die stage g) Spare parts for the Die h) Line assembling, tuning, moving in Instal.	1 set 1 set 1 set 1 set 1 set 1 set 1 set	Dated 22.06.2012		
4	a) Semi Auto Core Assembly Machine b) MF – 4 (t 1.2 tube) Jig (kushiba R & L) c) R2 Radiator (t 1.4) Jig (Kushiba R & L) d) MF – 4 12/16mm Header Plate Holder R & L. e) 12mm/16mm conversion tool for dispen f) 16mm MF-4 Tooling (Xylo, Mazda) g) 12mm MF – 4 Tooling (YE – 3, Nano) h) R2 Radiator Tooling (Xylo)	1 set 1 set 1 set 2 set 1 set 2 set 2 set 1 set	7200000444 Dated 19.07.2012	1,89,00,000/- J Yen	1,32,30,000/-
5	Semi Auto Hairpin Bender	1 Set	7200000446 Dated 25.07.2012	29,800/- USD	16,42,874/-
6	Pipe Annealing Oven for 8 mm X 1mm	1 Set	7200000447 Dated 25.07.2012	38,500 /- USD	21,22,505/-
7	a) Hydraulic Press fr YL8 Body Accumulator b) Tool for suction pipe piercing c) Tool for 5 holes	1 set 1 set 2 set	7200000448 Dated 25.07.2012	35,000 /- USD	19,29,550/-

	piercing (2 process) d) Tool for pipe end closing	1 set			
8	a) Pipe Expander – COMCO for Fin Tube Evap. b) Tool for suction pipe piercing.	1 set 1 set	7200000449 Dated 02.08.2012	1,40,00,000/- J Yen	98,00,000/-
9	a) Portable Expander with Tube end flaring b) Tooling for portable expander c) Core holding table for portable expander.	1 set 1 set 1 set	7200000450	9,000/- USD	5,00,400/-
Group B : Equipment Required for capacity Enhancement at Noida plant					
10	Cylindrical Grinding Machine OCD 2040.	1 Nos	7200000431 Dated 30.03.2012	85,000/- USD	46,86,050/-
11	Fin Forming Machine Auto core builder	1 Nos	7200000432 Dated 05.05.2012	7,50,000/- USD	4,13,47,500/-
Total					13,04,18,879/-
Duty payable approx. @ 7.5%					97,81,416/-

The cost of these imported equipment is Rs. 13.04 crores and will be met from their internal resources. The import duty payable on it @ 7.5% would be approximately Rs. 97.81 lacs.

In their presentation before the Committee, the company representative highlighted the usefulness of the new type of heat exchangers which increases the cooling capacity of the MACs by 14% increasing the fuel economy of car fitted with these MACs. The OEMs have appreciated the new development and has given a letter of appreciation to M/s Subros. The Committee desired that a copy of this letter may be sent to the ozone cell.

The Committee noted that all the required documents have been submitted by the firm and recommended the application for duty exemption of the equipment listed in the Table in accordance with the guidelines of the scheme.

Agenda Item No. 5 The application of **M/s SATA Vikas India Pvt. Ltd.**, for duty exemption for import of (i) one centerless grinding machine (ii) one thread rolling serration machine (iii) one CNC automatic lathe and (iv) one induction hardening and tempering machine needed for manufacture of parts of MAC compressors for new model cars.

M/s SATA Vikas India Pvt. Ltd., a joint venture between Kenmor Vikas (promoted by Mr. Parveen Agarwal) and SATA s.p.a. of Italy, manufacture high precision components of compressors of MACs like cylinder blocks, cylinder head, rotors, cam plates etc.

M/s SATA Vikas is embarking on the manufacture of some components of compressors like shafts which are currently being imported. For this they need to import some equipment details of which are shown in the table below :

TABLE

S. No.	Description of Equipment	Qty/ Unit	P. O No. & Date	Price in JPY, USD and SGD	Price in INR
1	Refurbished Centerless Grinding machine	1 No	P1-000008.1 & 25.07.2012	2,20,00,000/- JPY	1,49,49,000/-
2	Thread Rolling serration machine	1 No	P1-000018 & 15.10.2012	1,46,800/- USD	78,09,760/-
3	Hanwha CNC Automatic Lathe	3 No	P1-000019.3 & 15.10.2012	3,28,650/- USD	1,74,84,180/-
4	Induction Hardening and Tampering machine	1 No	P1-000020 & 27.10.2012	2,10,000/- USD	1,11,72,000/-
Total					5,14,14,940/-
Duty payable approx. @ 7.5%					38,56,121/-

The total cost of importing these four machines is Rs 5.14 crores and it will be met from their own resources. The duty payable on it is approximately Rs. 38.6 lacs.

In their presentation before the Committee, the company representative give detailed description of how the shaft for the compressor of MACs is manufactured in several steps using these equipment. The Committee observed that the compressor shaft is a special unit which operates under extreme conditions inside the compressor of the MACs and at present are being imported. Its manufacture in India will be beneficial.

The Committee noted that all the required documents have been submitted by the firm and recommended the application for duty exemption of the equipment listed in the Table in accordance with the guidelines of the scheme.

Agenda Item No 6:

The Application of **M/s Pranav Vikas (India) Pvt. Ltd.**, for duty exemption for import of (i) stamping dies (ii) semi automatic core assembly machine and (iii) brazing furnace with accessories, needed for expansion of capacity for manufacture of heat exchangers for MACs.

M/s Pranav Vikas (India) Pvt. Ltd., located in Faridabad, manufactures heat exchangers (condensers and evaporators) for use in MACs.

The companies is now planning to increase their production and for this purpose is importing some equipment like stamping dies, core assembly

machines and a new set of brazing furnace with accessories. The details of machinery being imported is given in the table below :

Table

S. No	Description of Equipment	Qty	P.O. No & Date	Value in USD	Price in INR
1	Stamping dies for D manifold consisting of : <ul style="list-style-type: none"> ▪ Single burring dies for tube slots with Mandrel ▪ Spare Mandrel – Mandrel removal unit ▪ Baffle slot slitting die including spare die ▪ Single die for side holes with spare die core ▪ Progressive die for baffle/divider (2 pcs/stroke) including ▪ Baffle caulking die 	1 set	PVIL/218 & 17.05.2012	66,700/-	35,48,440/-
2	Semi Automatic core assembly machine for PFC Evaporator, consisting of : <ul style="list-style-type: none"> ▪ Main body ▪ Header tooling ▪ Tube picket unit for 7.6 mm pitch ▪ Replacement tooling as per model 	1 set	PVIL/219 & 17.05.2012	60,000/-	31,92,000/-
3	Brazing Furnace consisting of : <ul style="list-style-type: none"> ▪ Electric hating pre – heater ▪ Electric brazing furnace including Pre-heater, control panel, air cooling section, driving unit and loading & unloading section. <p>Details as per Annexure – 5</p>	1 set	PVIL/II/134 & 03.07.2012	2,68,000/-	1,42,57,600/-
Total INR					2,09,98,040/-
Duty payable approx. @ 7.5%					15,74,853/-

The total cost of these machines being imported is Rs. 2,09,98,040/- (Rs. 2.10 crore) and duty on it would be approx Rs. 15.75/- Lacs @ of 7.5%.

In their presentation before the Committee, the company representative mentioned that M/s Pranav Vikas is now manufacturing 1.5 million heat exchangers and needs to expand their capacity to 2.4 million heat

exchangers to cater to the need of increasing car production in the country. The car industry is growing and new types of MACs are being introduced in the market. The company is importing equipment mentioned in the below to increase their capacity to fulfill the market needs.

The Committee noted that all the required documents have been submitted by the firm and recommended the application for duty exemption of the equipment listed in the Table in accordance with the guidelines of the scheme.

Annexure – I

LIST OF PARTICIPANTS

1	Dr. H. S. Kaprwan, C-215, Sector 51, Kendriya Vihar, Noida – 200 1307 Ph : 9891597792	Member
2	Dr. Kiran Pal, Joint Director, Centre for Fire, Explosive & Environment Safety, Defence Research & Development Organisation, Ministry of Defence, Brig. S.K. Mazumdar Road, Timarpur, Delhi – 110 054	Member
3	Dr. Izzatullah, Director (Chem), O/o DC (SSI), Ministry of Micro, Small & Medium Enterprises, Room No. 702, Nirman Bhavan, New Delhi – 110 011	Member
4	Mr. Ramesh Kumar, T.O. Tax Research Unit, (TRU), Department of Revenue, Ministry of Finance South Block	Member
5	Prof. R.S. Agarwal, Senior Advisor and Coordinator, Sector Phase-out Plan Unit (SPPU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 003	Special invitee
6	Mr. S.V. Subba Rao National Program Manager, Sector Phase-out Plan Unit (SPPU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003	Special invitee

7	Mr. Ringkhang Muchahary Technical Officer - SPPU Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Special invitee
8	Mr. Fahad Naim Technical Officer - PMU Ministry of Environment and Forests, Core IV B, 2 nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003	Special invitee
9	Ms. Chanchal Sharma Technical Officer - PMU 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

Annexure 2

M/s Whirlpool of India Limited
P.O. No 1201032982 dated 10th May, 2012

List of Imported Equipment for Conversion to Cyclo-pentane from Afros S.P.A,Italy (As per P.O. No. 201032982)			
Sr No	Description	Quantity	USD
1	Buffer Tank Accessories	2	57097
2	Safety system C5 Storage and Premix	1	27575
3	Ventilation System Premix	1	11355
4	Retrofitting Of KM Cabinet Foaming machine + FPL24 Mix	1	39579
5	Retrofitting Cannon (dd4) mc with close L (Door Foaming machine)	1	16762
6	A- System Penta Twin 40 + FPL 24	1	115492
7	Mass flow Meter - 9 set	1	67725
8	Magnetic Joint for Buffer Tank agitator 2 set	1	17519
9	Magnetic Joint for Dosing Unit Tank agitator 5 set	1	17843
10	Magnetic Coupling For Pump 3 CC/rev	1	5850
11	Magnetic Coupling For Pump 3 CC/rev	1	6750
12	P & T Transducer On Mix Head -2	1	8800
13	4 Pentane Safety Panel PLC and OP	1	34000
14	10 Pentane Capacity Spill level sensor	1	6500
15	2 Potavle Gas Sensors	1	5623
16	Safety System for KM machine	1	35470
17	Safety System for Cannon machine DD4	1	17735
18	Safety System for Cabinet Foaming 1 &2	1	62721
19	Safety System for Door Foaming DD2 & DD3	1	35470
20	Safety System for Door Foaming DD1	1	17735
21	Ventilation System For Cabinet - KM	1	47906
22	Ventilation for Cannon machine DD4	1	26278

23	Ventilation System For Cabinet - Cab 1 & 2	1	84565
24	Ventilation system for Door Foaming DD1	1	26278
25	Ventilation System For Door - 2 & 3	1	41201
26	Hydraulic Units 2 Unit	1	10650
27	Spares		44661
	Total		889140

Annexure 3

M/s Whirlpool of India Limited
P.O. No 1201033785 dated 10th May, 2012

List of Import equipment form Comi SPA (Italy) cabinet Thermoforming machine				
S. No	Description	Qty.	Justification	Amount in Euro
1	Cabinet thermoforming machine	1	To make inner liner in ABS material to increase durability in	5,53,000
2	150 Ton trimming press	1	pentane contained PU foam refrigerator	1,15,000
Total				6,68,000

Annexure 4

M/s Whirlpool of India Limited
P.O. No 1201033944 dated 22nd June, 2012

List of Imported Equipment from Krauss Mfpei (Italy) for cabinet Foaming fixture machine				
S. No	Description	Qty.	Justification	Amount in Euro
1	Pentane compatible foaming fixture	2	Explosion proof compatible foaming fixture, with C – Pentane foam curing time and operation time increase by 10%, need 2 foaming fixture to match explosion production rate.	1,20,000
Total				1,20,000

M/s Pranav Vikas (India) Limited

P.O. No. PVIL/II/1341 Dated : 03.07.2012

A	Pre Heat Oven Temp	300 Degree C Max.
B	Atmosphere gas sampling system :	Teledyne
C	Makes of Electrical Items :	
1	AC Drive 3P ~ 3P :	Mitsubishi
2	Digital Flow Meter :	Yamatake
3	Power Supply :	Woonyoung Korea
4	Timer :	Kunhung Korea
5	Relay :	Honeywell
6	Noise Filtrter :	Woonyoung Korea
7	MCCB's	Mitsubishi / Fuji Electric
8	Conveyor Drive unit along with Air Motor:	Gast USA
9	Contactors :	Siemens
10	MCB's :	Siemens
D	Pipes Paint Color	
	i) Electricity : Siemense Grey	
	ii) Air : Sky Blue	
	iii) Nitrogen : Canary Yellow with Black band	
	iv) Duct : Silver	
	v) Electrical Panels : Siemens Grey	
E	Spare along with machine	
	i) Heater assly – 2 Nos (each type)	
	ii) Element – 2 Nos (each type)	
	iii) Insulator – 1 Set	
	iv) Thermocouple – 2 Pcs	
	v) Sensor (B2C) – 1 Set	
	vi) Filter Element – 5 Pcs	
F	Drawing for Heater & Elements : To be supplied by you for Heater Assy & Elements (All types)	
G	Temperature Recorder : Digital recorder with least count of 1 Deg C.	
<p>Note Pl note that 3 copies of main manual should be supplies along with m/c and it should have following details electrical drag with PLC ladder, P & I diagram for N2 supply system.</p>		