

TECHNOLOGY AND FINANCE
STANDING COMMITTEE
MEETING

21st September, 2017

AGENDA PAPERS

ADOPTION OF MINUTES OF TFSC MEETING HELD ON 25TH NOVEMBER, 2013 AND CIRCULATED TO MEMBERS.

The Minutes of TFSC meeting held on 25th November, 2013 were circulated to all the Members. No comments have been received, the Minutes may be adopted.

Action taken:

The following five 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
2. M/s Whirlpool India Ltd., Faridabad
3. M/s Bharat Seats Pvt. Ltd.
4. M/s Zeco Aircon Ltd.
5. M/s Whirlpool India Ltd., Pune

All five applicants gave presentation in support of their projects before the Committee which were further discussed in detail and four were found suitable for issuance of duty exemption certificates. In case of M/s Whirlpool India Ltd., Pune the Committee did not approve the project as R-134a is not an Ozone Depleting Substance (ODS).

Approval of the Chairman, Empowered Steering Committee (ESC) for Implementation of the Montreal Protocol, for decisions taken in the above TFSC meeting was taken next on 1st April, 2016. The ESC approved the projects for issuance of duty exemption certificates to enterprises recommended by the TFSC in its meeting held on 25th November, 2013. The certificates for M/s Subros Ltd., Noida, M/s Whirlpool India Ltd., Faridabad, M/s Bharat Seats Pvt. Ltd., and M/s Zeco Aircon Ltd., have been issued.

Agenda Item No. 1

The application of M/s Subros Ltd., for duty exemption for import of 10 pieces of equipment needed for enhancing the production capacity and capability at their Noida (UP) plant with HFC-134a Type.

M/s Subros Ltd., is the largest manufacturer of Mobile air conditioner in India, being manufactured in their plants at Noida (UP), IMT Manesar (Haryana), Pune (Maharashtra), Sanand (Gujarat) and Chennai (Tamil Nadu). At Noida complex in addition to the central production plant, they have one R & D centre and an excellent tool room. The company has been always innovating and introducing better components in their manufacturing process leading to better products. They have collaboration with M/s Denso Corporation, Japan who are leaders in developing MACs in Japan.

M/s Subros Ltd. has availed duty exemption several times in past. They are now importing 10 more pieces of equipment from different overseas suppliers to increase their capacities at their Manesar facility. The details of these 10 pieces of equipment are shown in the table below:

Table

S. No	Description of equipment	P.O. No and Date	Qty	Price in JPY (FOB/CIF)	Price in INR
1	Electrical Test bench RR A/c case	7200000485 Dated 17.01.2014	1	89,80,000/- JPY	53,88,000/-
2	Auto Blower Case Heat Sealing machine	7200000486 Dated 17.01.2014	1	76,00,000/- JPY	45,60,000/-
3	Fan Balancing machine SGB-3KEL	7200000487 Dated 17.01.2014	1	70,50,000/- JPY	42,30,000/-
4	Injection molding machine J850ADW-3900H	7200000503 Dated 25.06.2014	1	4,54,00,000/- JPY	2,72,40,000/-
5	Robot SAIL-1000S for 850 T m/c	7200000489 Dated 25.03.2014	1	31,00,000/- JPY	18,60,000/-

S. No	Description of equipment	P.O. No and Date	Qty	Price in JPY (FOB/CIF)	Price in INR
6	YRA-Fan Blower injection mold (LH)	7200000494 Dated 23.05.2014	1	1,71,36,000/- J Yen	1,02,81,600/-
7	YRA-Fan Blower injection mold (RH)	7200000494 Dated 23.05.2014	1	2,32,67,500/- J Yen	1,39,60,500/-
8	Case Injection mold (H) LH & RH	720000495 Dated 24.05.2014	1	9,28,48,000/- J Yen	5,57,08,800/-
9	Case Blower Mold (single cavity)	7200000499 Dated 12.06.2014	1	33,500 /- USD	20,10,000/-
10	Guide Air Mold (Single cavity)	7200000499 Dated 12.06.2014	1	21,500/- USD	12,90,000/-
Total cost in Rs.					12,65,28,900/-
Duty payable @ 7.5%					94,89,667/-

The cost of these imported equipment is approx. Rs. 12.65 crores and basic import duty on it @ 7.5% would be approx. Rs. 94.89 lakhs crores.

The equipment being imported are general purpose manufacturing machinery for MACs. Similar machinery have been considered for duty exemption for this company and other MAC manufacturing companies several time earlier.

The company has submitted all the necessary supporting documents.

The Committee may consider the application.

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Agenda Item No. 2

The application of M/s Subros Ltd., for duty exemption for import of 10 pieces of equipment needed for enhancing the production capacity and capability at their Manesar plant.

M/s Subros Ltd., is the largest manufacturer of Mobile air conditioner,(MACs) in India, with manufacturing facility at Noida, IMT Manesar (Haryana), Pune (Maharashtra), Sanand (Gujarat) and Chennai (Tamil Nadu). They have collaboration with M/s Denso Corporation, Japan who are leaders in developing MACs in Japan.

They are now importing 10 more pieces of equipment from different overseas suppliers to increase their capacities at Manesar. The details of these 10 pieces of equipment are shown in the table below :

Table

S. No	Description of equipment	P.O. No and Date	Qty	Price (FOB/CIF/)	Price in INR
1	11.5 Fin Forming machine (GSR)	7200000516 Dated 21.10.2014	1	3,66,850/- USD	2,23,77,850/-
2	11.5 D Core Assy Line (GSR)	7200000516 Dated 21.10.2014	1	5,63,155/- USD	3,43,52,455/-
3	2 Row FF roller with cassette 11.5D & 3.0	7200000518 Dated 28.10.2014	1	23,63,200/- JPY	12,99,760/-
4	2 Row FF roller with cassette 11.5D & 2.25	7200000518 Dated 28.10.2014	1	23,52,000/- JPY	12,93,600/-
5	2 Row FF roller with cassette 11.5D & 3.5mm Fin Pitch	7200000518 Dated 28.10.2014	1	8,96,000/- JPY	4,92,800/-
6	2 Row FF roller with cassette 11.5D & 3.0mm Fin Pitch	7200000518 Dated 28.10.2014	1	8,96,000/- JPY	4,92,800/-

S. No	Description of equipment	P.O. No and Date	Qty	Price (FOB/CIF/)	Price in INR
7	2 Row FF roller with cassette 11.5D & 2.25 / 2.50	7200000518 Dated 28.10.2014	1	8,96,000/- JPY	4,92,800/-
8	ASTY Spray Fluxing System	720000526 Dated 31.01.2015	1	2,74,00,000/- JPY	1,50,70,000/-
9	Pressure Pulsation Testing machine	7200000528 Dated 02.02.2015	1	49,21,000/- JPY	27,06,550/-
10	Parco paint spray fluxing system	7200000538 Dated 30.05.2015	1	1,80,000/- USD	1,13,40,000/-
Total cost in Rs.					8,99,18,615/-
Duty payable @ 7.5%					67,43,896/-

The cost of these imported equipment is approx. Rs. 8.99 crores and basic import duty on it @ 7.5% would be approx. Rs. 67.43 lakhs.

The equipment being imported are general purpose manufacturing machinery for MACs.

The company has submitted all the necessary supporting documents.

The Committee may consider the application.

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Agenda Item No. 3

The application of M/s Subros Ltd., Noida for duty exemption for import of 4 pieces of equipment needed for enhancing the production capacity and capability at their Manesar/Noida plant.

M/s Subros Ltd., is the largest manufacturer of Mobile air conditioner,(MACs) in India, with manufacturing facility at Noida, IMT Manesar (Haryana), Pune (Maharashtra), Sanand (Gujarat) and Chennai (Tamil Nadu). They have collaboration with M/s Denso Corporation, Japan who are leaders in developing MACs in Japan.

M/s Subros have been importing production equipment for their different plant and have received duty exemption facility earlier also.

They are now importing 4 more pieces of equipment from different overseas suppliers to increase their capacities at Manesar/Noida. The details of these 4 pieces of equipment are shown in the table below :

Table

S. No	Description of equipment	P.O. No and Date	Qty	Price in JPY (FOB/CIF/)	Price in INR
1	850 T Hyd Inj Molding M/c with accessories	7200000559 Dated 30.10.2015	1	2,35,46,250/- JPY	1,31,85,900/-
2	Bench Top Mdl LMXM6 spectromax with access	7200000562 Dated 19.11.2015	1	49,150/- USD	32,43,900/-
3	Contour Measurement Surfcom NEX030 SD12	7200000563 Dated 19.11.2015	1	22,00,000/- JPY	12,32,000/-
4	1000 T IMM J1000HD 5200 H(A)	7200000564 Dated 24.11.2015	1	5,24,00,000/- JPY	2,93,44,000/-
Total cost in Rs.					4,70,05,800/-
Duty payable @ 7.5%					35,25,435/-

The cost of these imported equipment is approx. Rs. 4.70 crores and basic import duty on it @ 7.5% would be approx. Rs. 35.25 lakhs.

The equipment being imported are general purpose manufacturing machinery for MACs. Similar machinery have been considered for duty exemption for this company and other MAC manufacturing companies earlier also.

The company has submitted all the necessary supporting documents.

The Committee may consider the application.

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Agenda Item No. 4

The application of M/s Subros Ltd., Noida for duty exemption for import of 8 pieces of equipment needed for enhancing the production capacity and capability at their Noida plant.

M/s Subros Ltd., is the largest manufacturer of Mobile air conditioner in India, with a capacity of 7,50,000 units manufactured in their plants at Noida (UP), IMT Manesar (Haryana), Pune (Maharashtra), Sanand (Gujarat) and Chennai (Tamil Nadu). At Noida complex in addition to the central production plant, they have one R & D centre and a tool room. The company has been always innovating and introducing better components in their manufacturing process leading to better products. They have collaboration with M/s Denso Corporation, Japan who are leaders in developing MACs in Japan.

M/s Subros have been importing production equipment for their different plant and have enjoyed duty exemption facility as these are for non-ODS AC system.

They are now importing 8 more pieces of equipment from different overseas suppliers to increase their capacities at Noida plant. The details of these 8 pieces of equipment are shown in the table below :

Table

S. No	Description of equipment	P.O. No and Date	Qty	Price (FOB/CIF)	Price in INR
1	160 SN2 stamping press	7200000576 Dated 11.02.2016	2	1,51,000/- USD	1,01,17,000/-
2	Double Heads uncoiler UAD300	7200000584 Dated 22.03.2016	2	23,200/- USD	15,54,400/-
3	Power straightner SLV-300	7200000584 Dated 22.03.2016	2	16,700/- USD	11,18,900/-
4	NC Servo Feeder NCF-300	7200000584 Dated 22.03.2016	2	21,000/- USD	14,07,000/-

S. No	Description of equipment	P.O. No and Date	Qty	Price (FOB/CIF/)	Price in INR
5	Oil Lubricator SBT - 300	7200000584 Dated 22.03.2016	2	1,900/- USD	1,27,300/-
6	Fin Forming M/c No-2 GRS 11.5D	7200000585 Dated 08.04.2016	1	3,49,465/- USD	2,34,14,155
7	Core Assy M/c no-02 GRS 11.5D	7200000585 Dated 08.04.2016	1	4,85,160/- USD	3,25,05,720/-
8	GRS 11.5 D Fin Tray 45 Row	7200000585 Dated 08.04.2016	40 no	385/- USD	25,795/-
Total cost in Rs.					7,02,70,270/-
Duty payable @ 7.5%					52,70,270/-

The cost of these imported equipment is approx. Rs. 7 crores and basic import duty on it @ 7.5% would be approx. Rs. 52.70 lakhs.

The equipment being imported are general purpose manufacturing machinery for MACs. Similar machinery have been considered for duty exemption for this company and other MAC manufacturing companies earlier also.

The company has submitted all the necessary supporting documents.

The Committee may consider the application.

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Agenda Item No. 5

The application of M/s Subros Ltd., Noida for duty exemption for import of 7 pieces of equipment needed for enhancing the production capacity and capability at their Manesar plant.

M/s Subros Ltd., is the largest manufacturer of Mobile air conditioner in India, with a capacity of 7,50,000 units manufactured in their plants at Noida (UP), IMT Manesar (Haryana), Pune (Maharashtra), Sanand (Gujarat) and Chennai (Tamil Nadu). At Noida complex in addition to the central production plant, they have one R & D centre and a tool room. The company has been always innovating and introducing better components in their manufacturing process leading to better products. They have collaboration with M/s Denso Corporation, Japan who are leaders in developing MACs in Japan.

M/s Subros have been importing production equipment for their different plant and have enjoyed duty exemption facility as these are for non-ODS AC system.

They are now importing 7 more pieces of equipment from different overseas suppliers to increase their capacities at Manesar plant. The details of these 7 pieces of equipment are shown in the table below :

Table

S. No	Description of equipment	P.O. No and Date	Qty	Price in JPY (FOB/CIF)	Price in INR
1	Cylindrical Grinding Machine	7200000594 Dated 14.06.2016	1	85,000/- USD	56,95,000/-
2	Fin Forming Machine-MFC Line	7200000598 Dated 27.07.2016	1	6,04,800/- USD	4,05,21,600/-
3	Helium Leak Detecting System MFC	7200000603 Dated 03.08.2016	1	2,38,000/- USD	1,59,46,000/-
4	11.5 D Fin Forming Machine	7200000606 Dated 16.08.2016	1	3,49,465/- USD	2,34,14,155/-

S. No	Description of equipment	P.O. No and Date	Qty	Price in JPY (FOB/CIF)	Price in INR
5	11.5 D Core Assy Machine	7200000606 Dated 16.08.2016	1	4,85,160/- USD	3,25,05,720
6	GR 11.5D Fin Tray 45- Row	7200000606 Dated 16.08.2016	40	15,400 USD	10,31,800/-
7	Coil Winding M/c 10 S 11/10P08 P08	7200000608 Dated 16.08.2016	1	25,50,000 JPY	17,08,500/-
8	Asty Flux Spray System	7200000609 Dated 17.08.2016	1	2,59,00,000/ - JPY	1,73,53,000/-
9	NBF KYK Condenser Line	7200000611 Dated 17.08.2016	1	5,80,00,000/ - JPY	3,88,60,000/-
Total cost in Rs.					17,70,35,775/-
Duty payable @ 7.5%					1,32,77,683/-

The cost of these imported equipment is approx. Rs. 17 crores and basic import duty on it @ 7.5% would be approx. Rs. 1.32 crore.

The equipment being imported are general purpose manufacturing machinery for MACs. Similar machinery have been considered for duty exemption for this company and other MAC manufacturing companies earlier also.

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Agenda Item No. 6

The application of **M/s Bharat Seats Ltd.**, Gurgaon (Haryana), for duty exemption for import of one Polyurethane car seat cushion moulding line from Japan.

M/s Bharat Seats Ltd., is one of the first joint ventures of Maruti Udyog Ltd., and M/s Rohit Relan and associates. The company was started with the aim of producing car seats for Maruti Udyog Ltd and later expanded to other products.

Currently they are supplying 41% of the requirement of Maruti Suzuki India Ltd., mainly seating systems, moulded floor carpets and head rest systems. They also supply seats and frame assemblies for two wheelers of Suzuki Motor Cycles (India) Ltd.

Their main factory is conveniently located near the Maruti Complex, Gurgaon, reducing transportation cost, time and inventory level.

The company was one of the earliest to change over to non-ODS technology with the assistance of Montreal Protocol Multilateral Fund.

Maruti Suzuki Ltd., is now undertaking a large expansion hoping to reach the production of 2 million vehicles. To fulfill their extra requirements of car seats, M/s Bharat Seats is undertaking a large expansion of their car seat manufacturing capacity and need to import a PU car seat cushion moulding line from M/s Inoa International Co. Ltd., Japan.

The new seat cushion machine will be installed at Bharat Seats Ltd., Plot No. 26, Sector 3A, **Maruti Supplier Park**, Manesar, Gurgaon adjacent to the Maruti Suzuki assembly line in Maruti production centre at Manesar to ensure in time supply.

The company is aware that Govt. of India is keen to give up the use of HCFCs in the process of PU foam blowing in the manufacturing of seat cushions. Bharat Seats will therefore use water in the presence of various additives and catalysts to produce microporous foam seating system which has a velvety appearance and comfortable feel.

The details of imported equipment from **Inoac International, Japan** is shown in the table below along with the cost.

Table I

S. No	description of equip.	P.O. No and date	Qty	Price in Yen	Price in INR
i	Conveyor system	6700000011	One set	1,19,01,000/-	73,78,620/-
ii	Pouring machine	Dated	One set	1,22,51,000/-	75,95,620/-

iii	New system for ISO B2	25 th Jan 2014	One set	1,95,37,000/-	1,21,12,940/-
iv	Electrical Parts		One set	1,30,89,000/-	81,15,180/-
Total cost in Rs					3,52,02,360/-
Duty payable @ 7.5% is Rs.					26,40,177/-
v	Seaworthy packing and FOB charges		One set	3,22,20,020/-	19,97,640/-

The fifth item in the list e.g., **sea worthy packing and FOB charges** is not eligible for duty exemption as these are not capital goods.

The total of four items in the table is therefore Rs. 3.52 crores and basic duty on it @ 7.5% would be Rs 26.40 lakhs approximately.

In addition they are procuring at their own cost a large number of indigenous items.

The company has submitted all the supporting documents.

The committee may consider the application.

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Agenda Item No. 7:

The Application of M/s **Global Autotech Ltd.**, Greater Noida for duty exemption for import of Teflon Coating line, Centreless Grinder machine and Spindle CNC chucker line needed for capacity expansion of Pistons Fine.

M/s **Global Autotech** is a Private Limited company. The company is engaged in the manufacture of parts and components of MACs which at present are totally supplied to M/s **Subros Ltd.** M/s **Global Autotech** has already received duty exemption for import of equipment for manufacture of components and accessories for MACs.

In this application they have requested for duty exemption for import of a Teflon Coating Line, Centreless Grinder machine and Spindle CNC Chucker Line which will be used exclusively for manufacturing pistons for R134-A compressors with Non-ODS technology being manufactured by Subros Limited. These components will be made from Aluminum Alloys using the hot forging technology adopted by the company.

For this project they are importing 3 pieces of equipment details of which are given in the table below.

Table

S. No	Name of the Equipment	Qty	PO/LOI No. & Date	FOB /CIF Value	Total FOB Cost INR
1	Teflon Coating Line	2 Line	GAL/PSS/IMP/1500 18.4.16	\$ 10,00,000/-	6,75,00,000/-
2	Centerless Grinder Machine	1 Nos	GAL/PSS/IMP/1499 9.4.16	\$ 1,19,000/-	80,32,500/-
3	Spindle CNC chucker Line	1 Line	GAL/PSS/IMP/1497 9.4.16	JPY 5,05,00,000/-	3,28,25,000/-
Total					10,83,57,500/-

Total cost INR 10.83 crores

Approx. Duty payable @ 7.5% 81.26 Lacs (81,26,812/-)

The total cost of the project submitted by M/s Global Autotech Ltd. Is Rs. 10.83 crores (approximately) and duty payable at 7.5% is Rs. 81.26 lakhs (approximately)

Company has submitted all the necessary supporting documents.
The committee may consider the application.

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Agenda Item No 8:

The application of M/s Zeco Aircon Ltd., for duty exemption for import of an Aluminium Paper Embossing Line and an Embossing Machine from China for Embossing of Aluminium foils to be used in PU Air Duct Panels.

M/s ZECO Aircon Ltd., is a manufacture of parts of Air-conditioning machine ventilation machine evaporative unit, FCU, Coil, Chiller and Hollow Profile (Duct). M/s Zeco Aircon Ltd., is going to expand their unit at 343 & 343/1/A, village Lahe, Taluka Shahpur, Distt. Thane, Maharashtra. The machines and parts of Aluminum Paper Embossing Line and Embossing machine will be used for embossing on aluminum foil to be used in their PU Air Ducts Panels Well Know as Pre -Insulated Duct by using 245-Fa (hydrofluorocarbons) a non ODS Chemical in a new continuous plant to be set up at above mention location. The details of machines and parts to be imported from China given in the table below:

Sr. No	Detail of Equipment	Qty	P.O No and Date	Price in USD	Price in INR
A	Aluminium Paper Embossing Line:-				
1	Fixed Coil : 152X1350 mm Air expanding shaft	01 set	ZAL/IMPORT/54 Dated 26.02.2014	31,000/-	19,22,000/-
2	Support weigh < 1800kg				
3	Roller size : diameter 268X1350mm				
4	Recoiling motor: 7.5kw PLC motor, 415V, 50 Hz, line speed 0-25m/min				
5	Target of thickness : 0.04-0.08mm (stucco and logo)				
6	Electric cabinet				
B	Embossing machine				

Sr. No	Detail of Equipment	Qty	P.O No and Date	Price in USD	Price in INR
1	Roller size: diameter 268X1350mm	01 set	ZAL/IMPORT/54	17,000/-	10,54,000/-
2	Target of thickness: 0.04-0.2mm (diamond add logo)		Dated		
3	Motor Power: 5.5kw, 415v, 50 Hz		26.02.2014		
Total amount					29,76,000/-
Duty payable @7.5%					2,23,200/-

The cost of these imported equipment is approx. Rs. 29.76 lakhs and basic import duty on it @ 7.5 % would be approx. Rs. 2.23 lakhs.

Company has submitted the necessary supporting documents.

The Committee may consider the application.
