

**Agenda Item No. 1:** The application of M/s Midas Care Pharmaceuticals Pvt. Ltd., for duty exemption for import of one automatic pharmaceutical Aerosol filling-line with non-ODS technology for Metered Dose Inhalers (MDIs).

Midas Care Pharmaceuticals Pvt. Ltd., started as a small scale industrial aerosol manufacturer in 1986 at MIDC, Waluj (Dist. Aurangabad). They soon expanded into manufacture of health care, personal care, room care aerosols based on CFC-12 propellant. Later they started manufacturing MDIs based on Salbutamol, Beclomethasone as active ingredients and CFC-12 as propellant, thus covering the full range of Aerosols.

In 1998-99, Midas Care phased out CFCs in favor of destenched LPG in the manufacture of general aerosols with the assistance of funds from MPMF. They also received assistance in the form of duty free import of all the equipment needed for this phase out project.

They continued to use CFC-12 in the manufacture of their MDI products. Recently however the phase out of CFCs in MDI aerosols have began and a project for Midas Care to phase out CFCs with HFAs (HFA 134a/p and HPA 227) have been approved by MPMF. They have started procuring new equipment implementation of this project. The most important of these equipment is one automatic Pharmaceutical filing line from Italy details of which are given in the table below.

**Table**

S. No	Description	Qty.	P.O. No & Date	Price in Euro (63.8)	Price in INR
1.	Automatic Pharmaceutical Filling Line for Metered Dose Inhalers Consisting of 6AVG/ Pharma Automatic single indexing machine, Valves feeder and Valves Elevator, Conveyors & Electric Cabinet.	1	Import/MDI/12  Dated 01.03.2010	2,77,180	1.77 crores
<b>Total amount INR</b>					1.77 crores
<b>Duty payable Approx. @ 7.5%</b>					13.2 lacs

The application is for duty exemption for import of this equipment.

The cost of the equipment is Euro 2,77,180/- or approximately Rs. 1.77 crores and duty on it would be Rs. 13.2 lacs @ 7.5%.

This machine being imported has many useful features such as 1) anti microbial, micro particle and hyper HEPA filtration ensuring elimination of bacteria, viruses and other micro organics during the filling process 2) a high rate of filling accurately measured volumes of the solution of active ingredient using stainless steel measuring cylinders.

Earlier for all Montreal Protocol approved and funded projects duty exemption for import of equipment approved for the project was automatically approved. That scheme has lapsed. Now such requests are to be discussed and approved individually by the TFSC.

The machine is needed for large scale production of Metered Dose Inhalers using the non-ODS propellant HFA 134a with the addition of small volume of HFA-227 as and when required for particular formulations.

The Committee may consider the application.



**Agenda Item No. 2**

The application of **M/s Krishna Maruti Ltd.**, IMT Manesar for duty exemption for import of one Polyurethane car seat cushion and back pads manufacturing plant from M/s Tecnos SPA, Italy for installation in their existing plant at IMT Manesar.

**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 approx. 620000 seat sets and 5043377 Door Trim sets to Maruti Suzuki India Limited.

M/s Krishna Maruti Limited, is setting up a new seating plant at Manesar, Gurgaon with a capacity of around 1,76,000 seat sets to meet the JIT requirement of its customer, Maruti Suzuki India Limited.

This PU plant is a Polyurethane seat cushion plant manufactured by M/s Tecnos S.p.A Italy. The plant is to be used for making complete car seats and back pads.

Earlier car making companies used CFC-11 foam blowing technology for making seats. The "PU plant that the applicant company is considering to import for making car seat cushion & back pads is with Non Ozone Depleting Substances Technology" free from CFC-11 using water as the foam blowing agent. The equipment has special mixing heads with high pressure foam dispensing capability. The details of the plant is given below.

**Table**

<b>Sl. No</b>	<b>Description</b>	<b>P.O. No &amp; Date</b>	<b>Price in Euro</b>	<b>Price in INR (Exchange rate 64.75)</b>
1	PU plant for making car seat cushion and back pads, with non-ozone depleting substances technologies	4030000078 & 20.01.2001	935,000	60550116.6
<b>Total cost of machinery</b>				<b>60550116.</b>
<b>Duty payable approx. @ 7.5%</b>				<b>45.4 lacs</b> <b>4541258.7</b>

The capacity of the proposed plant would be 1,75,560 seat/year.

The company has submitted all the supporting documents.

The total cost of project is Rs. 665 Lacs. It will be financed partly by a term loan of Rs 399 Lacs from the City Bank. The balance of funds will be met from their own resources.

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 Bharat Seats Ltd.**, Gurgaon (Haryana), for duty exemption for import of one PU car seat cushion moulding line from Japan.

**M/s Bharat Seats Ltd.**, started as a joint venture of Maruti Udyog Ltd., and M/s Rohit Relan and associates. It was started with the aim of producing car seats for Maruti Udyog Ltd. The share holding pattern of the company has undergone some changes with expansion and at present it is as follows:

Suzuki Motor Corporation, Japan	-	14.81%
Maruti Suzuki India Ltd.,	-	14.81%
M/s Rohit Relan and Associates	-	29.62%
Public	-	40.76%

Currently they are supplying 41% of the requirement of Maruti Suzuki India Ltd., mainly seating systems, moulded floor carpets and Head rest system. 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 and advise of Mr. Bert Veenandhal, UNDP expert. Subsequently they had undertaken three expansions and diversifications for which they received duty exemption assistance in 1999 and 2002 and more recently in 2009. This is their fourth application.

M/s Bharat Seats is now undertaking a further expansion of their car seat production in the same premises as their principals M/s Maruti Suzuki India Ltd., is increasing their car production from 1.4 million to about 2 million vehicles in the year 2015-16. For this expansion they need to import one PU seat moulding line and have chosen one with automated foaming controls serving higher number of moulds to improve productivity manufactured by M/s Polymer Engineering Company, Japan. For foam blowing in the manufacture of car seats the company will be using water in combination with various additives and catalysts to produce microporous foam seating systems with a velvety appearance and comfortable feel. Special preservatives are added to ensure long life of these car seats with dual hardness under Indian conditions of high humidity and high temperature.

Currently they are producing seat cushions for 6,00,000/- vehicles/ annum. With the installation of this new machine the production will go up to 7,50,000 vehicles/annum. The machine also has many space saving features to be accommodated in their old crowded premises and is programmed to be the main JIT supplier for Maruti Suzuki India Ltd.,

The details of the machine being imported is given in the table below.

Manufactured by M/s Polyurethane Engineering Company, Japan

Sl. No	Description of machinery	Qty	P.O. No & Date	Cost in YEN	Cost in INR
1	High Pressure Foaming Machine	One set	600103 Dated 19.05.2011	5,69,34,000/-	3,13,13,700/-
<b>Total cost Rs.</b>					3,13,13,700/-
<b>Duty payable @ 7.5%</b>					23,48,527/-

The cost of this imported machine is 5,69,34,000 yen (INR 3,13,13,700) and duty on it would be approx. Rs. 23,48,527 lacs @ 7.5%.

Besides this import, the company will be procuring a large number of indigenous equipment costing Rs. 67432956/-. The total cost of the project is Rs. 98746656/- and it will be met partly from their internal resources and partly through external commercial borrowings (ECB) from Bank of Tokyo Mitsubishi UFJ Ltd.

The company has submitted all the supporting documents.

The committee may consider the application.

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**Agenda Item No. 4:** The application of **M/s Subros Ltd., New Delhi**, for duty exemption for import of 24 sets of manufacturing equipment for setting up new type of R.S. Evaporators for Mobile Air-Conditioners at Noida (U.P.)

**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) and at Pune (Maharashtra). They are original equipment supplier to Maruti Suzuki Ltd., TATA Motors Ltd., Mahindra and Mahindra Ltd. The company has been always innovating and introducing better components leading to better products in their manufacturing process. They have collaboration with M/s DENSO Corporation, Japan who are leaders in developing Mobile Air-Conditioners in Japan.

In their continuous quest for improvement, about a year back. M/s Subros introduced a new type of evaporators, called R S evaporator in their MAC system. These evaporators made of precoated Aluminium parts are very light and ultra thin. They are highly efficient in energy saving and much cheaper. After full trials the company has decided to introduce R S evaporators for MACs supplied to all their customers. **They are therefore establishing a very large scale manufacturing facility for RS evaporators at their Noida plant** and for this they are importing 24 sets of equipment details of which are given in the Table below. In addition they are importing one set of furnace for melting and holding aluminium metal for squeeze die casting of the blocks for compressors imported earlier for additional capacity.

**TABLE**

<b>Part A : Equipment needed for NOIDA plant</b>						
<b>S. No</b>	<b>Description of eqpt.</b>	<b>Qty</b>	<b>P.O No, &amp; Date</b>	<b>Total amount in (FOB/CIF value)</b>	<b>Total CIF cost (Rs. In lacs)</b>	
1	CNC Pipe Bending Machine	1 set	7200000 <b>343</b> Dated 04.03.2011	1,10,000/- USD	50,60,000/-	
2	Buldge/Spinning Machine	1 set	7200000 <b>344</b> Dated 04.03.2011	2,52,000/- USD	1,15,92,000/-	
3	Fanuc Robot M 710iC/50	2 sets	7200000 <b>348</b> Dated 10.03.2011	70,00,000/- JPY	39,20,000/-	
4	Balancing Machine Model VG-2 – 10 KEL with 15" LCD Scree/Top Cover for YG 4 HVAC Fan & Motor & YG4 Arbor and Fixture	1 set	7200000 <b>349</b> Dated 10.03.2011	69,88,000/- JPY	39,13,280/-	
5	Balancing Machine Model VG-2 – 10 KEL with 15" LCD Screen/Top Cover for YN 4 HVAC Fan & Motor & YN4 Arbor and Fixture	1 set	7200000 <b>350</b> Dated 10.03.2011	69,88,000/- JPY	39,13,280/-	
6	Fin Stacking Machine for existing Subros Fin Machine FOS - 100	1 Set	7200000 <b>351</b> Dated 10.03.2011	53,000/- USD	24,38,000/-	
7	Temperature Control Bench for HVAC performance test alongwith 2 Nos Hot Coolant Supply bench	1 Set	7200000 <b>352</b> Dated 11.03.2011	2,25,80,000/-	1,26,44,800/-	
8	Moisture and Inner Leak Testing Machine for R S Evaporator	1 set	7200000 <b>353</b> Dated 12.03.2011	85,72,500/- JPY	48,00,600/-	
9	Rigaku/Automatic Sequential x Ray Spectrometer System Primini 1 sample Inlet Type (Vac.) with accessories	1 set	7200000 <b>354</b> Dated 15.03.2011	85,50,000/- JPY	47,88,000/-	
10	Furnace Model SER-300-L LPG+PNG	2 sets	7200000 <b>355</b> Dated 24.03.2011	1,58,000/- USD	72,68,000/-	



S. No	Description of eqpt.	Qty	P.O No, & Date	Total amount in (FOB/CIF value)	Total CIF cost (Rs. In lacs)
11	He Leak Testing Equipment for R S Evaporator	1 set	7200000 <b>356</b> Dated 24.03.2011	2,10,000/- USD	96,60,000/-
12	Heater Pipe Caulking Machine	1 set	7200000 <b>362</b> Dated 22.04.2011	68,000/- USD	31,28,000/-
13	Total Organic Carbon Analyzer Model TOC VCSH Order Code 638-91062 -23 + Solid sample Module Model SSm-5000A Part No 638-93102-32	1 set + 1 set	7200000 <b>366</b> dated 22.04.2011	32,00,000/- JPY	17,92,000/-
14	Shuttle XP 500 – Tray Size 2450mm X 813mm Machine Height: 4450mm Number of Trays 22 Carrying Capacity each tray 495 Kg + Shuttle XP 500 – Tray size 2450mm X864mm Machine Height: 7050mm Number of Trays 55 Carrying Capacity each tray 490 kg + software package PP5000 with necessary modules for interfacing with SAP MM Module	2 Set  2 Set  1 Set	7200000 <b>367</b> Dated 22.04.2011	1,16,100/- EURO	75,46,500/-
15	Surface Treatment Machine SB130007	1 set	7200000 <b>368</b> Dated 25.04.2011	20,53,21,000/- JPY	11,49,79,760/-
16	Fin Forming & Core Assembly Machine SB140072	1 set	7200000 <b>369</b> Dated 25.04.2011	12,40,74,000/- JPY	6,94,81,440/-
17	Tank Header Assembly Machine SB140063	1 set	7200000 <b>370</b> Dated 25.04.2011	43,00,780/- JPY	24,08,436.80/-

S. No	Description of eqpt.	Qty	P.O No, & Date	Total amount in (FOB/CIF value)	Total CIF cost (Rs. In lacs)
18	Cup Cap Assembly machine with accessories SB140064	1 set	7200000 <b>371</b> Dated 25.04.2011	1,12,88,700/- JPY	63,21,672/-
19	Auto Flaring machine	1 set	7200000 <b>372</b> Dated 27.04.2011	63,200/- USD	29,07,200/-
20	Core Assembly machine	1 set	7200000 <b>376</b> Dated 12.05.2011	94,435/- USD	43,44,010/-
21	Plate Header Assembly Machine	1 set	7200000 <b>376</b> Dated 12.05.2011	52,885/- USD	24,32,710/-
22	Tank Header Assembly machine	1 set	7200000 <b>376</b> Dated 12.05.2011	29,980/- USD	13,79,080/-
23	Cup Cap Assembly Machine	1 set	7200000 <b>376</b> Dated 12.05.2011	44,490/- USD	20,46,540/-
24	AIDA HY FLEX PRESS Model NS1-1100—(1) with accessories	1 set	7200000 <b>381</b> Dated 25.05.2011	2,01,00,000/- JPY	1,12,56,000/-
25	AIDA HY FLEX PRESS Model NS1-800-(1) with accessories	1 set	7200000 <b>382</b> Dated 25.05.2011	1,79,10,000/- JPY	1,00,29,600/-
<b>Total</b>					<b>31,00,50,908.80</b>
<b>Duty payable @ 7.5%</b>					<b>2,32,53,818.16</b>

The total cost of these imported equipment is approximately Rs 31.00 crores and import duty payable on it @ 7.5% would be approximately Rs. 2.32 crores. This project will be financed entirely from their will be met internal accruals.

The equipment being imported are general purpose manufacturing machinery. Similar machines have been considered

for import for this company and other MAC manufacturing companies several times earlier.

The company has received duty exemption assistance nineteen times earlier. This is their 20<sup>th</sup> application.

The company has submitted all the necessary supporting documents.

The committee may consider the application.

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