

Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Wednesday, 14th March, 2007 at 11:00 A.M. in the Conference 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. He has informed that the following four applications were considered by the TFSC in its meeting held on 15th February, 2007 and the committee recommended all the four applications.

1. The application for duty exemption of **M/s Shakti Televentures, Mandideep** (M.P.), for import of one foaming machine (Cannon-A-100) and one panel press (PMC-90) for manufacture of PU Sandwich Panels.
2. The application of **M/s Jindal Mectec (P) Ltd.**, Nalagarh (Solan, H.P.) for import of one P.U. Foaming machine, one Sandwich panels press for discontinuous production and one complete plant for continuous production of P.U. Sandwich panels with foaming machine.
3. The application of **M/s NTF India Pvt. Ltd.**, Manesar, Gurgaon for import of one High Pressure PU foaming machine model Cannon HE-400 and R-RIM Moulds for CSK model-L and model-M for production of **car spoilers, side skirts and add on bumpers**.
4. The application of **M/s Zeppelin Mobile Systems India Ltd.**, Noida, U.P. for import of one PU foaming machine (Cannon A-100) and a Sandwich panel making machine for production of PU Sandwich foam panels.

Action Taken: Approval of the Chairman, Empowered Steering Committee (ESC) for Implementation of Montreal Protocol is being taken on file and duty exemption certificates will be issued. Ex Post Facto approval of the ESC will be taken in its next meeting.

The Minutes of the TFSC meeting held on 15.02.2007 were circulated to the members. No comments have been received. The Minutes were adopted.

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

Agenda Item No. 1

The application of **M/s Modern Prefab Systems Pvt. Ltd.**, Manesar (Gurgaon) for duty exemption for import of one Cannon A-200 PU foaming machine and three panel presses for PU Sandwich Panel production.

M/s Modern Prefab Systems, located at Manesar, Gurgaon and assembling prefabricated housing systems for government as well as private organizations are an ISO: 9001: company registered with DGS&d, DGQA and NSIC. They also export prefab systems to Bhutan and Nigeria for various applications.

The PU Sandwich Panels needed for assembling these housing systems were so far out sourced by them. In the process they were experiencing supply bottle necks and quality control problems.

They have now decided to manufacture the PU Sandwich panels themselves and are importing one PU foaming machine and three PU Sandwich panel forming machines. Details of the equipment being imported is given in the Table -1.

Table -1

S. No	Name of Machine	P.O. No and Date	Qty.	Source	Price in EURO	Price in INR
1	Cannon PU Sandwich Panels Foaming Plant consisting of a) PU Foaming machine Cannon A-200. b) Press for panel production. i) Manni 4 Daylight PMC 95T ii) Manni PMC 262 T iii) Manni PMC 90T	MPSPL/2006-07/PO/2118 Dated 30/11/06	1 set each	Afros S.P.A. Italy	492,000/-	2,89,98,000/- (2.9 Crs.)
2	Accessories for Cannon machine like mould profile etc.	Do	1 set each	Afros S.P.A. Italy	17,000/	10,02,000/- (0.1 Crs.)

Total cost INR	3,00,00,000/- (3 Crores)
Appox. Duty Payable	0.225 Crores. 22.5 Lacs

The cost of these equipment is Rs. 3.0 Crores and duty payable is appox. 22.5 Lacs.

The committee noted that this company is in business of supplying prefabricated building system out sourcing P.U. Sandwich Panels from others. It makes good sense to manufacture the panels themselves and recommended the application for approval.

Agenda item No. 2 The application of **M/s Blue Star Ltd.**, Bharuch for duty exemption for import of a PU foaming machine and a Sandwich panel foaming press.

M/s Blue Star Ltd., is India's largest manufacturer of central air conditioners and commercial refrigerators. They have manufacturing facilities at Thane, Bharuch, Dadra and the most recent one at Kala Amb (Himachal Pradesh).

Anticipating a large increase in demand for cold rooms as well as telecom shelters and consequent increased requirement of PUF panels. They are expanding the panel manufacturing plant at Bharuch. For this expansion of capacity they are importing

- 1) One PU foaming machine (Cannon A-200 system) with 3 mixing heads.
- 2) One Press for Sandwich panels manufacturing (Manni PMC 262 T).
- 3) One press model BMPF-1, 2+2 system for Sandwich panels production (size different).

Details of these equipment is shown in the Table -2.

Table-2

S. No	P.O. No & Source	Description of Equipment	Qty	Value in Forex	Value in INR
1	BCH 260050 AFROS S.p.A, Italy	Polyurethane Sandwich Panels Foaming Plant using CFC-Free technology consisting of the following.	1 set each	3,87,000/- EURO (503,100) USD	2,23,87,950/-
a)		Polyurethane Foaming Unit High Pressure machine. Cannon A-System 200 with 3 FPL 24 mixing heads			
b)		Press for Sandwich Panels Manufacturing. Manni PMC 262T			
2	BCH 260051 Shanghai Baosheng Machinery INS Co. Ltd.,	Press Model BMPF-1, 2+2 System for un continuous Sandwich Panel line.	1 set each	USD 76,250/-	33,93,125/-
Total cost INR					2.58 Crores
Appox. Duty payable @ 7.5 %					19.4 Lacs

The cost of the equipment being imported is appox. Rs. 2.58 Crores and duty on it will be appox. 19.4 Lacs.

The committee noted that the demand for PU Sandwich Panels for construction of Pre-fab insulated buildings like cold room, cold storages, telecom shelters is increasing and there is need for expansion of capacity of existing plants and recommended the application for approval.

Agenda Item No. 3

The application of **M/s Bayer Material Science Pvt. Ltd.**, for duty exemption for import of three P.U foaming machines and some laboratory equipment for setting up a system house for developing **tailor made polyol blends**.

M/s Bayer Material Science Pvt. Ltd., a subsidiary of **Bayer AG of Germany** is setting up a "System House" in Noida which will be a R&D unit to develop optimum blends of polyols with additives and blowing agents to suit the special needs of their customers producing various end products.

The suitability of blends developed in their R&D laboratories for each customer/end product will be **demonstrated on a production scale** for their needs in terms of end application requirement.

The system house concept is a global phenomena being adopted by large producers of component materials for new products tailor made to suite the needs of local industries.

For setting up this **system house cum R&D laboratory M/s Bayer Material Science Pvt. Ltd.**, intends to import two high pressure PU casting/foaming machines, a low pressure laboratory testing PU foaming machine and a number of other related equipment for which details are shown in the table – 3 .

Table-3

Sl. No	Equipment Name	Qty	P.O. No. & Date	Source	Price (Forex)	Estimate in INR
1	High Pressure reaction casting machine model HK-650 TL/MX.	1	294(Imp) Dated 18/12/06	HENNECKE Gmbh	239192 EURO	1,38,73,136/-
	High Pressure PUR Foaming machine model Base Line 470 F/MX	1				
	Chiller Unit 14	1				

Sl. No	Equipment Name	Qty	P.O. No. & Date	Source	Price (Forex)	Estimate in INR
2	Low Pressure Laboratory Static Machine Model PiU Test 4T/2/2.	1	290(Imp) Dated 01/12/06	AMAGUSBERTI srl.	59000 EURO	34,22,000/-
3	Auto titrator & accessories.	1	99(Imp) Dated 27/12/05	Mettler-Toledo GmbH Analytical	18790 S.F.	6,76,440/-
4	Viscometer & accessories.	1	120(Imp) Dated 30/01/06	Brookfield Engg. Lab. Inc	2095.25 USD	94,286/-
5	Colorimeter & accessories.	1	145 (Imp) Dated 28/02/06	Witratemp	3557.19 EURO	2,06,317/-
6	Mat. Testing Machine & acc.	1	146 (Imp) Dated 28/02/06	Zwick Asia Pte Ltd.,	41000 EURO	23,78,000/-
7	Foamat system with accessories.	1	168 (Imp) Dated 04/04/06	Format Messtechnik GmbH	23600 EUR	13,68,800/-
8	Mixer	5	244 (Imp) Dated 22/08/06	Pendraulik	24635 EURO	14,28,830/-
9	Flame Proof Cabinet.	1	-	Denios	3300 EURO	1,91,400/-
10	Thermal Conductivity Analyser.	1	-	Lasercomp / Eko	26000 USD	11,70,000/-

Sl. No	Equipment Name	Qty	P.O. No. & Date	Source	Price (Forex)	Estimate in INR
11	Close Cell content for Rigids.	1	-	Micrometrics	13000 EURO	7,28,000/-
Total cost in INR						2,55,37,209/-
Appox. Duty payable @ 7.5%						19.2 lacs

The total cost of these imported equipment is Rs. 2.554 Crs and duty payable on it would be appox. Rs. 19.2 lacs.

An error in the list of equipment (recorded incorrectly as Calorimeter) was pointed out by a Member. The correct equipment was a Colorimeter. It was recorded correctly.

The committee felt that establishment of system house to develop tailor made formulations of PU systems for different end uses suiting the needs of different customers will help the production of end products with optimum properties. Such a set up with testing facilities will be an asset to the country as no such facilities exist.

The committee recommended the application for approval.

Agenda Item No. 4

The application of **M/s Subros Ltd.**, for Duty exemption for import of equipment / toolings required for manufacture of new Air-conditioning systems/ A.C. kits of (R-134a type).

M/s Subros Ltd., is the largest manufacturer of car Air-conditioners in India. They have a fully equipped plant at Noida and about 2 years back opened a new plant with equal capacity at IMT, Manesar (Haryana) to cater to the need of growing car manufacturing industry in India. Recently they have set up another plant at Chakan Industrial Estate, Pune to cater to the needs of Tata Motors situated near by. These new plants at Manesar (Haryana) and Chakan (Pune) are yet to reach their planned capacity.

For these new plants at Manesar and Pune as well as to augment their facilities at the R&D centre at Noida, M/s Subros is now importing 5 sets of equipment, details of which are given in the table -4. The application is for duty exemption for the same.

Table-4

For Manesar Plant						
Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in Forex	Total CIF cost (Rs. In Lacs)	Essentiality (For eqpt. Being imported)
1	Nocolock Brazing Furnace	1 set	7200000176 Dated 14.02.07 Logics Corporation	6,00,00,000 JPY	2,34,84,000/-	For degreasing and brazing of Aluminium condensers
2	Corrosion Test Chamber system Weiss Model SC/KWT 1000	1 set	7200000173 Dated 05.02.07 Weiss Umweltte -chnik GmbH	18,645/- EURO	11,33,056/-	Required to conduct the corrosion test on Aluminum and steel components.
For Pune Plant						
1	Nocolock Brazing Furnace	1 Set	7200000175 Dated 14.02.07 Logics Corporation	6,00,00,000 JPY	2,34,84,000/-	For degreasing and brazing of Aluminium condensers.
2	Corrosion Test Chamber system Weiss Model SC/KWT 1000	1 set	7200000172 Dated 05.02.07 Weiss Umwelttechnik GmbH	18,645/- EURO	11,33,056/-	Required to conduct the corrosion test on Aluminum and steel components.

SI	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total amount (FOB/CIF value) in Forex	Total CIF cost (Rs. In Lacs)	Essentiality (For eqpt. Being imported)
For Noida Plant						
1	Portable Noise and Vibration measurement system.	1 Set	7200000174 Dated 05.02.07 LDS Test and Measurement LLC	15,900/- USD	7,36,965	Required to measure the Noise and Vibration of AC fitted on the vehicle.
Total amount INR						4,99,71,078/-
Duty payable Appox.						Rs.37,47,830

It will be observed that two sets of equipment one for Manesar plant and another for Pune plant, are being imported.

The total cost of these equipment is Rs. 4.997 crores and duty on it would be appox. Rs. 37.5 Lacs.

The committee noted that similar equipment has been approved earlier for manufacture of MACs for other companies including the expansion project of M/s Subros. Taking note the increasing demand for MACs by Automobile industries the committee recommended the application for approval.

Agenda Item No. 5: The application of **M/s Videocon Industries Ltd.**, for duty exemption for import of a **complete plant** for manufacture of refrigerator cabinet based on non-ODS technology.

M/s Videocon Industries Ltd., belonging to Videocon group, is a manufacturing leader of consumer electronics (CTV, music) and home appliances in India. They are the largest manufacturer of refrigeration appliances in India and have factories at Aurangabad, Bangalore, Haryana and Bharuch as well as manufacturing bases/facilities abroad in Oman, Italy, Mexico, Poland and China.

M/s Videocon Industries is now embarking on a new venture of manufacturing energy efficient non-CFC refrigerators of both **No- Frost** and **direct cool** type and putting up a large plant of capacity 600,000 units per annum near Kashipur, Uttarakhand taking advantage of tax and other incentives offered by the State Government.

For putting up this large plant they intend to import a refrigerator body making plant consisting of steel and plastic body parts and PU foam insulation plant, painting plant, injection moulding equipment etc. from one source i.e., China machinery industry group Guangzhoc Electrical Apparatus Research Institute.

The details of the machinery/equipment being purchased and for which duty exemption has been requested is given in the table-5.

Table-5

(A) Machinery/Equipment by P.O. No:- IC0606001 dated, 26-08-06 Source: Guangzhoc Electrical Apparatus Research Institute, China.				
Sl. No	Area/Machine/Equipment required	Quantity	FOB Price USD	FOB Price (INR in Lacs)
1	Outer Ref. Steel Body U Plate Forming line.	1 No.	259,261/-	116.67/-
2	Refrigerator Door Door Plate Forming Line.	1 No.	181,900/-	81.86/-
3	Refrigerator Painting Shop Painting Line.	1 No.	656,283/-	295.33/-
4	Refrigerator Assembly Line Pre-Assembly Line & Assembly Line.	1 No.	723,433/-	325.54/-
5	Over Head Conveyor Hanging Line (Press to Paint to Assembly OH Conveyors).	1 No.	126,827/-	57.07/-
6	Refrigerator Cab Foaming Cabinet Foaming Line.	1 No.	580,081/-	261.04/-
7	Refrigerator Door Foaming Door Foaming Line.	1 No.	138,845/-	62.48/-

Sl. No	Area/Machine/Equipment required	Quantity	FOB Price USD	FOB Price (INR in Lacs)
8	Assembly Line F.G. Conveyor System.	1 No.	60,270/-	27.12/-
9	Main Assembly Bar Code Information Management System (Five No. Bar Code Readers).	1 No.	19,440/-	8.75/-
10	Main Assembly Refrigerant Charging Machine (Gallieo Hebilis) with High PR Pump.	1 No.	29,800/-	13.41/-
11	Main Assembly Performance test System.	1 No.	249,980/-	112.49/-
12	Main Assembly Helium Inspect (Gallieo).	1 No.	89,980/-	40.49/-
13	Main Assembly Leakage Test Machine (Inficaon – HLD5000).	2 Nos.	21,900/-	9.86/-
14	BSR/Stores Manual Forklift Truck.	12 Nos.	2,000/-	0.90/-
(B) Machinery/Equipment by P.O. No:- IC0611017 dated, 07-11-06 Source: Guangzhoc Electrical Apparatus Research Institute, China.				
15	Refrigerator Cabi Liner Cabinet Vaccum Foaming Mould & Plate 230L.	1 Set	22,702/-	10.22/-
16	Refrigerator Door Liner Door Vaccum Foaming Mould & Plate 230L.	1 Set	14,139/-	6.36/-
17	Refrigerator Cabi Liner Cabinet Vaccum Foaming Mould & Plate 183L.	1 Set	18,749/-	8.44/-
18	Refrigerator Door Liner Door Vaccum Foaming Mould & Plate 183L.	1 Set	12,410/-	5.58/-

Sl. No	Area/Machine/Equipment required	Quantity	FOB Price USD	FOB Price (INR in Lacs)
(C) Machinery/Equipment by P.O. No : - IC0610045 dated, 14-10-06 Source: Guangzhoc Electrical Apparatus Research Institute, China.				
19	Refrigerator PU Foaming Cabinet Foaming Machine A-100 with 2 Mix Head.	1 Set	181,359/-	81.61/-
20	Cyclopentane Unit Accessories for Cyclopentane Storages.	1 Set	70,875/-	31.89/-
21	Refrigerator Cabi Foaming Pre Mix for Cyclopentane & Polyol.	1 Set	121,500/-	54.68/-
22	Cyclopentane Unit Safety & Ventilation System.	1 Set	111,780/-	50.30/-
23	Cyclopentane Unit C5 Tank 35CU.M with Licences.	1 Set	20,250/-	9.11/-
Total			3,713,764/-	1,671.20/-
Duty payable Approx.				125.34 /-

The total cost of the equipment being imported is Rs. 16.71 Crores and duty on it would be approx. Rs. 1.25 Crores.

The company will be using HFC-134a as the refrigerant and Cyclopentane as the foam blowing agent. They have mentioned that they will be taking proper precautions for using Cyclopentane.

The committee felt there is need for increasing the capacity for manufacture of refrigerators and establishment of the plant at Utrakhand will help the economy of a developing region of the country and recommended the application for approval.

Agenda Item No. 6: The application of **M/s Tecumseh Production India Pvt. Ltd.**, for duty exemption for import of one calorimeter (400-4000 BTU).

M/s Tecumseh Production India Pvt. Ltd., located in Ballabgarh, Haryana, is the largest manufacturer of non-ODS compressors for domestic and commercial refrigerators as well as Air-conditioners. They are currently expanding their production. Their current capacity, achieved in stages, is 3 million compressors. After the current plan of expansion which **they are executing in stages**, the capacity will be 4.3 million compressors. They company plans to produce ultimately 5.60 million compressors by the year 2007-08.

For this expansion programme the company has been gradually importing equipment in different stages of erection of the plant. They are now almost in the production stage. **In order to improve and optimize the energy efficiency of these new type of compressors**, they now need a calorimeter and have applied for duty exemption for importing the same. The details of the calorimeter being imported may be seen in the table -6.

Table-6

Sl. No	Equipment Desc.	Qty	P.O. No & Date	Manufacturer & Supplier	Cost in USD	Cost in INR
1	Calorimeter 400-4,000 BTU	1 Nos	5004331 dated 05-09-06	Chuyi System Co Taipei (Taiwan).	1,45,000/-	64,45,250/-
Total cost						(Appox) 64.5 Lacs
Appox. Duty @ 7.5%						4.84 Lacs

The cost of this equipment is appox. Rs. 64.5 Lacs and duty on it would be appox. Rs 4.84 Lacs @ 7.5%.

The committee noted that a calorimeter is an essential equipment for optimizing and improving the energy efficiency of a compressor designed specially for a non-ODS refrigerant like HFC-134a and very much needed for realizing the benefit from large

expansion program for manufacture of compressors and recommended the application for approval.

Supplementary Agenda Item No.1 The application of **M/s Rinac India Ltd., Bangalore**, for duty exemption for import of one complete plant for continuous production of PUF Sandwich panels.

M/s Rinac India Ltd., Bangalore, is a reputed manufacturer of PU foamed articles including PU Sandwich panels which are used for manufacture of modular cold rooms, clean rooms, commercial refrigerators and blast chillers/freezers for use in Aquaculture, Horticulture, Sericulture and other purposes.

The company is now undertaking an expansion project to manufacture PUF Sandwich panels by installing a **continuous PUF panel manufacturing machine** at MIDC Industrial area at **MURBAD, Mumbai**. The machine is to be imported from Korea and details are given in the table-7. The application is for duty exemption for the same.

Table - 7

Sl. No	Eqpt. Des.	Qty.	P.O. No & Date	Total amount FOB	Total landed cost in Rs.
1	Complete plant for continuous production of PUF Sandwich panels with foaming station consisting of 1. Metal foaming eqpt. 2. PU injection and foaming eqpt. 3. Panel cutting and handling eqpt.	One	2006/U5 PO/01 dated 14/02/07	Euro 20,36,000/-	12.54/- Crores
Total					12.54 Crores
Duty payable approx. @ 10%					1.3 Crores

The total cost of the machine is Rs. 12.54 Crore and duty payable on it is Rs. 65 Laacs @ 5%.

The panels will be made using pentane as the foam blowing agent and company has mentioned that adequate precautions have been taken.

The committee noted that demand for PU Sandwich Panels is increasing very much with increase in demand for insulated shelters, cold rooms, cold storages needed for increased production from Agro- fisheries industries and recommended the application for approval.



(Annexure I)

The meeting of the Technology and Finance Standing Committee on **14th March, 2007** at **11:00 A.M.** in the Conference Room No. – 2 (CDC), Core 4B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003.

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. Shraddha Dubey, Confederation of Indian Industry, India Habitat Centre, Zone IV 4 th Floor, Lodhi Road New Delhi – 110003	Member
3	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 Ph: 23907125	Member
4	Mr. A. Malik, Additional Director –Group-I (Chemicals), O/o DC (SSI), Ministry of Small Scale Industries, Room No. 702, Nirman Bhavan, New Delhi – 110011 Ph. : 23061198, Telefax : 23061972	Member
5	Mr. H. S. Kaintura, Ministry of Chemicals & Petrochemicals, Room No. – 227, Department of Chem. & Petro-Chemical, Shastri Bhavan, New Delhi – 110001 Ph. : 23386047, 23384196	Member

6	Mr. S.K. Lalwani, Consultancy Development Centre, India Habitat Centre, Lodhi Road, New Delhi – 110003 Ph. 24648268 (Dir), 4602601/2915	Member
7	Dr. S. Satapathy, NPM, SPPU India Habitat Centre, Zone IV 4 th Floor, Lodhi Road, New Delhi – 110003	(Special invitee)
8	Shri. Mahinder Singh, AO, Ozone Cell, India Habitat Centre, Zone IV 4 th Floor, Lodhi Road, New Delhi – 110003	(Special invitee)
9	Prof. S.K. Mukerjee, Consultant (Ozone Cell), Ozone Cell, India Habitat Centre, Zone IV 4 th Floor, Lodhi Road, New Delhi – 110003	Consultant
10	Dr. A. Duraisamy, Director (O) Ozone Cell, India Habitat Centre, Zone IV 4 th Floor, Lodhi Road, New Delhi – 110003	Member Secretary