

Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Monday, 9th June, 2008 at 11:00 A.M. in the Training 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**)

The Minutes of the TFSC meeting held on 11th January, 2008 were circulated to all the Members. Since no comments have been received, the Minutes were adopted.

Dr. A. Duraisamy, Director (O) welcomed the members and informed the action taken by the Ozone Cell on the recommendations made by the TFSC held on 11th January, 2008.

Action Taken: Approval of the Chairman, Empowered Steering Committee (ESC) for Implementation of the Montreal Protocol was taken on file and duty exemption certificates were issued for the following:

1. M/s **E-Pack Polymers Pvt. Ltd., Greater Noida, U.P.**
2. M/s **B.A. International, Raipur Roorkee (Uttarakhand)**
3. M/s **Hunter Telecom India Pvt. Ltd.,**
4. M/s **Lloyd Insulations (India) Ltd.,**
5. M/s **Sanden Vikas India Ltd., Faridabad**
6. M/s **Telecom Network Solutions Pvt. Ltd., Noida**
7. M/s **Global Autotech Ltd., Noida (U.P)**
8. M/s **Pranav Vikas India Ltd.,**

Ex Post facto approval was also taken in the meeting of the Empowered Steering Committee held on 5th March, 2008.

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

Agenda Item No.1 The application of **M/s Sanden Vikas India Ltd.,** Faridabad, for duty exemption for import of Dies for their expansion project.

M/s Sanden Vikas India Limited is a large manufacturer of Mobile Air Conditioners (MACs) in India. They are currently aiming to produce 200,000 units per year gradually expanding their capacity and

have received duty exemption assistance for import of machinery ten times earlier.

They have now applied for duty exemption for import of two sets progressive dies to expand the production of child parts for PAF evaporators used in Mobile Air Conditioners. The details of the Dies being imported is given in the table below:

Table

Sl. No	Equipment	Qty	P.O. No & Date	Price in US\$	Price in INR
1	Progressive Die a-1) for Tube Plate a-2) for End Plate	1 Set	SVL/IMP/027 Dtd. 15.10.2007	155,000	61.225 lacs
Total Amount				155,000	61.225 lacs
Approx. Duty @ 7.5%					4.59 lacs

The cost of the equipment being imported is Rs. 61.225 lacs and duty payable on it is approx. 4.59 lacs @ 7.5 %.

The committee noted that the equipments being imported are general purpose machinery and dies are needed for manufacture of MACs using non-ODS refrigerant HFC-134a. It was also noted that duty exemption for import of similar equipment was approved earlier for them as well as for other MAC manufacturing companies. These are needed to achieve the targeted production of 200,000 units. The committee recommended the application for approval.

Agenda Item No. 2 The application of **M/s B.A. International** Raipur, Roorkee (Uttarakhand) for duty exemption for import of one UPS – 40KVA – GE make 400 VA out put from Germany.

M/s B.A International, a small company manufacturing Cold Rooms, Water Coolers, etc. at Meerut from 1982, expanded their facilities for manufacturing these appliances on a larger scale at Raipur, Roorkee (Uttarakhand). The Company faced some difficulties in the manufacture of sheet metal fabricated articles and **imported three sophisticated metal presses** from Japan recently and obtained duty exemption assistance. They now find that to operate these presses properly steady uninterrupted power supply (UPS) is needed.

The Company is therefore importing one UPS of large capacity (40KVA) from Germany for efficient operation of the three metal presses and have applied for duty exemption for this import. Details of the UPS being imported are given in the table below:

Table

Sl. No	Description of machine	Qty	P.O. No./date	Value in INR
1.	UPS-40KVA GE make 400 VA output CE Marked from Germany <ul style="list-style-type: none"> • 100% Microprocessor Controlled • Superior Battery Management • 256 Logging event & Memory Recording • Efficiency up to 98% on ECO Mode 	1 unit	BA/CCPL/ND/SJ/5289/07-08 dtd. 10.01.2008	3,00,000
Total				3,00,000
Duty Approx. @ 7.5%				22,500

The import of the UPs will cost Rs. 3 lacs and duty @7.5% will be Rs. 22,500. It will be financed from their own resources.

The committee noted that power supply situation in the new industrial estates at Uttarakhand is not good and an UPS of adequate capacity will smoothen the operations preventing damage to the presses and recommended the application for approval.

Agenda Item No. 3

The application of **M/s Zeppelin Mobile Systems India Ltd.**, Noida, U.P for duty exemption for import of one Krauss Maffei integrated Polyurethane Panel Foaming Plant.

M/s Zeppelin Mobile Systems India Ltd., (ZMI) has been making telecom shelters for all major cell phone operators as well as exporting shelters for operators abroad since 1997. In, August 2005, they shifted their operations to a new factory in Phase II, Noida and received duty exemption assistance for import of PU Sandwich panel making plant (Cannon A-100 and a Cannon Press) for their first expansion project in 2007.

The company has now assessed the market for telecom shelters and intends to increase its production for which they are importing one Krauss Maffei polyurethane sandwich Panel making integrated plant

consisting of a panel press, foaming machine and other accessories. The details of the plant being imported may be seen in the table below:

S. No.	Items	Qty.	Cost	
			Euro	Rs.
01	Krauss Maffei Polyurethane Sandwich Panel Foaming Plant using CFC Free Technology	1 No.	365500.00	21199000.00
Total cost Rs. 2.12 Crore (approx)				

Duty payable @ 7.5% approx 16.5 Lacs.

The application is for duty exemption for the import of this PU Sandwich Panel making plant.

The import of this integrated plant will cost approx Rs. 2.12 Crore and Duty payable on it @ 7.5% is approx Rs. 16.5 Lacs. All other ancillaries will be procured from local sources.

The committee noted that there is a large demand for PU Sandwich panels for making telecom shelters and other prefabricated buildings and duty exemption for similar plants have been approved for many enterprises earlier. The committee recommended the application for approval.

Agenda Item No 4: The application of **M/s Anu Solar Power Pvt. Ltd.**, Bangalore for import of one rigid PU foam Sandwich Panel making machine consisting of a Cannon A-100 foaming machine and two manni Sandwich panel presses.

M/s Anu Solar Power Pvt. Ltd., manufactures Solar Water Heaters, Solar Lighting and Solar Photovoltaic Modules near Bangalore.

The company is now diversifying into manufacture of PU Foam Sandwich Panels needed for manufacturing telecom shelters. Telecom Industries near Bangalore is undergoing very large expansion.

For making PU foam Sandwich Panels the company is importing (1) one Cannon A-100 high pressure foaming machine and (2) two Cannon hydraulic presses for making PU Sandwich panels. Details of the machines being imported is given in the table below:

Table

Sl. No	Equipment Name	Qty	P.O. No. & Date	Supplier	Price in EURO	Price in INR
1	Cannon-A compact 100 high pressure polyurethane foaming machine using non-ODS technology	1	11303 Dated 12.01.08	Afros S.P.A., Via Galileo Ferraris, 65, 1-21042, Carono Fertusella (Va) Italy	80,308/-	5099558/-
2	Cannon make Hydraulic press for Sandwich Panel production – Manni PMC 105T 3500X1500 4 day light	2		Do	105692/-	6711442/-
Total cost in INR						11811000/-
Approx. Duty payable @ 7.5%						1.18 Crores
8.86 lac						

The cost of the total project is approximately Rs. 20.0 Million which includes imported machinery and accessories and infrastructure. The project will be funded with contributions from promoters (70%) and internal accruals (30%).

The capacity of the plant as projected is 800 panels per month and the plant will generate very little waste. Noting that the demand for telecom shelters in Bangalore area is increasing very much and similar PU Sandwich making plants have been approved for many enterprises in the recent past, the committee recommended the application for approval.

Agenda Item No. 5

The application of **M/s Subros Ltd.**, for Duty exemption for import of 8 pieces of equipment required for augmenting the manufacture of new type of energy efficient, light compressors for Mobile Air-conditioners at their Noida and Manesar plant.

M/s Subros Ltd., is the largest manufacturer of car Air-conditioners in India with current capacity of 7,50,000 units per

annum. Recently they have set up another plant at Chakan Industrial Estate, Pune to cater to the needs of Tata Motors situated near by.

Their main customer, M/s Maruti Suzuki Ltd., have now launched a new generation of fuel efficient, **environment friendly 10SA13 type compressors** which have a smaller size, no muffler and bolt and a rotor of sheet metal thus reducing weight, energy consumption and cost. It is designed for use with non-ODS refrigerant HFC-134a. These will replace their existing range of compressors.

M/s Subros have already started supplies of this new generation of compressors to Maruti Suzuki India Ltd., and **needs now to augment the capacity of production** for which they are importing 8 pieces of equipment. The details of the equipment needed now are given in the table below:

Table

For Noida Unit					
Sl	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total value in YEN	Total CIF cost (INR)
1	Friction Ring Fixing Machine including 1 set of Denso Model TAF 16.5 Power supply and 2 sets of Heating Coil for Pulley Assembly	1 set	7200000216 Dated 19.01.08 Logics Corporation	17,815,000	66,53,902.50
2	Adhesive Sheet Blanking Machine	1 set	7200000219 Dated 26.02.08 Logics Corporation	73,00,000	27,26,550.00
3	Adhesive Sheet Assembly Fixture	1 set	7200000219 Dated 26.02.08 Logics Corporation	10,00,000	3,73,500.00
4	Fanuc Robodrill Alpha T14iFe with Fanuc seris 31i-A	2 sets	7200000222 Dated 10.03.08 Fanuc Ltd.,	1,30,00,000	48,55,500.00

SI	Description of eqpt.	Qty	P.O. No, Date & Supplier	Total value in YEN	Total CIF cost (INR)
5	Fanuc Robodrill Alpha T14iFe with DDR260i and Fanuc seris 31i-A	2 sets	7200000222 Dated 10.03.08 Fanuc Ltd.,	1,53,00,000	57,14,550.00
6	Die Lubricant automating mixing & delivering system. Type : TMMP-50-NP8	2 Nos	7200000226 Dated 16.04.08 TKB Corporation	27,86,544	10,74,389.18
For Manesar Unit					
7	Heater Pipe Caulking M/c SB 820072 05102007 For Manesar	1 set	7200000221 Dated 10.03.08 Sumitomo Corporation	92,65,000	34,60,477.50
8	Battery Operated Fork Lift Truck Model EFG-110K-G100-450 DZ basic cap. 1000 kg, lift height 4500mm	1 set	7200000224 Dated 17.03.08 Jungheinrich Export AG & Co. kg	15,800	9,04,550.00
Total amount INR					2,57,63,419.18 or 2.576 Crores
Duty payable Approx. @ 7.5%					19.32 Lacs

The total cost of the equipment is Rs. 2.576 Crores and duty on it is approx. Rs 19.32 lacs. The cost will be met from internal accruals.

The committee noted that most of the equipments being imported are general purpose machinery but some like item no. 1, 2 & 3 are specially needed in the manufacturing process for this new type of compressors. The committee felt that introduction of energy efficient compressors should be encouraged and recommended the application for approval.

Annexure-ILIST 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. Sunil Abrol, Director General, Consultancy Development Centre, India Habitat Centre, Lodhi Road, New Delhi – 110003 Ph. 24648268 (Dir), 4602601/2915	Member
3	Dr. Arvinder Kaur, Confederation of Indian Industry, Env. Policy Division, India Habitat Centre, Zone IV 4 th Floor, Lodhi Road New Delhi – 110003	Member
4	Mr. H. S. Kaintura, Ministry of Chemicals & Petrochemicals, Room No. – 227, Department of Chem. & Petro-Chemicals, Shastri Bhavan, New Delhi – 110001	Member
5	Dr. Izzatullah, Director (Chemical), office of the DC (MSME), Nirman Bhavan, New Delhi	Member
6	Dr. Subrata Mandal, Senior Economist, National Institute of Public Finance and Polies (NIPFP), New Delhi	Member
7	Shri R. Balasubramaniyan, Regional Secretary, India Chemical Manufacturers Association (ICMA), 209 G.K. House, 187-A Sant Nagar, New Delhi – 110065 Tel : 91-11-9810690755	Member

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8	<p>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</p>	(Member)
9	<p>Shri S.K. Agarwal, Asstt. Director (Chemical), office of the DC (MSME), New Delhi</p>	(Special invitee)
10	<p>Dr. S. Satapathy, NPM, SPPU Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003</p>	(Special invitee)
11	<p>Shri. R. Srinivas, Project Coordinator, Project Management Unit (PMU), Ozone Cell, Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110 003</p>	(Special invitee)
12	<p>Prof. S.K. Mukerjee, Consultant, Ozone Cell, Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003</p>	Consultant
13	<p>Dr. A. Duraisamy, Director (Ozone Cell), Ministry of Environment and Forests, Core IV B, 2nd Floor, India Habitat Centre, Lodhi Road, New Delhi – 110003</p>	Member Secretary

