

Agenda Item No. 1

The application of the **M/s Jaycee Autofab Pvt. Ltd.**, Faridabad for duty exemption for import of one Cannon A-compact 100FC high pressure polyurethane foaming machine.

M/s Jaycee Autofab Pvt. Ltd., is a new company set up by the Jaycee group of companies. The Jaycee group of companies headed by Mr. M.P. Agarwal and his sons, consists of six companies located in Amritsar, Batala and Faridabad and engaged in both manufacturing and trading activities.

The new company Jaycee Autofab Pvt. Ltd., started in 2004-05, manufactures "Driver Cabin" for M/s JCB India Limited, a company engaged in the manufacture of Earth Moving equipment at Faridabad. It has become a profitable venture.

M/s Jaycee Autofab Pvt. Ltd., have now decided to diversify and are setting up a **new plant in Sector – 58, Faridabad to manufacture Polyurethane Sandwich Panels** mainly for **telecom shelters** and also for super markets, cold rooms in hotels, military huts and other prefabricated buildings. For this new plant they are importing one PU foaming machine from Italy and have applied for duty exemption for the same. This is the first application from this company. The details of the machine being imported is given in the Table below:

Table

Sl. No	Description	Quantity	P.O. No	Price in Euro	Price in INR
1	Cannon A-compact 100 FC High Pressure Polyurethane foaming machine using CFC-Free Technology.	1	JAF/CANNON/08/01 Dated 15.05.2008	74000/-	5032000/-
Total price is					50.3 lakhs
Duty payable @ 7.5% approx.					3.77 lakhs

The cost of the machine being imported is approx. Rs. 50.3 lakhs and duty payable on it is approx. Rs. 3.77 lakhs.

It may be mentioned that cannon foaming machines are standard machines for PU foam manufacture and similar machines have been approved for many enterprises manufacturing PU sandwich panels. The company is importing only the foaming machine with accessories. A press is also needed for this work and it will be procured from local sources.

The capital cost of the project is approx. 163 lakhs and it will be met from internal sources. The working capital of approx. 220 lakhs will be taken as loan from their bankers.

The projected capacity of the plant is 300 shelters in the 1st year and is expected to increase to 600 shelters in the 3rd year of operation.

The company has submitted all the supporting documents.

The committee may consider the application.



Agenda Item No. 2

Reconsideration of the application of **M/s Sanden Vikas India Ltd.**, Faridabad, for duty exemption for import of equipment for manufacture of new type of variable compressors for MACs.

M/s Sanden Vikas India Limited, is now embarking on a project to **manufacture a new type of highly efficient energy saving SD6V/SD7V type variable compressors for MACs**. These can control excessive power consumption by infinitive variable displacement and reduce torque surge (Jerk) by cycling of clutch. Also these compressors have highly reliable power transmission by using wobble plate technology. The compressors are designed to use non-ODS refrigerant R-134a.

The project is for setting up manufacturing facilities for this new type of compressors for which they are importing 199 pieces of equipment listed in the attached purchase order and grouped as per various stages of manufacture as shown in the table below:

Table

Sl. No	Equipment	S. No as per PO	No. of items	Price in (JY)	Price in INR
1	Child parts sub-assy equipment	1-22	22	19,95,20,000/-	7,98,08,000/-
2	Compressor main line assy equipment	23-44	22	19,12,46,000/-	7,64,98,400/-
3	Magnetic clutch assy line equipment	45-58	14	7,92,00,000/-	3,16,80,000/-
4	Testing equipment	186-193	8	15,88,29,000/-	6,35,31,600/-
5	Jigs, Fixtures & Tools	59-185 & 194-199	133	1,75,42,940/-	70,17,176/-
Total Amount				24,63,37,940/-	258535176/- or 25.85 Crores
Approx. Duty @ 7.5%					1.96 Crores

The cost of the equipment being imported is Rs. 25.85 Crores and duty payable on it is approx. 1.96 Crores @ 7.5 %.

It may be mentioned that the equipment being imported are general purpose machinery needed for precision assembly and testing along with Jigs, fixtures and tools.

On completion of the project their production capacity for MACs will increase to 4,50,000 units per year.

This application was discussed in the TFSC meeting held on 21st July, 2008. The committee noted that there is need for energy efficient improved type of compressors for MACs in the competitive market but needed some more clarifications. These are

- a) Whether the current production capacities mentioned in the project are on per shift basis or other wise.
- b) The actual out put during the years 2005-2007.
- c) What will happen to the old type of compressors once the new type comes into production.
- d) Is this technology used in Japan by their collaborators or passed to India for trial here.
- e) Is this technology meant only for car air conditioners.
- f) Are all the items mentioned in the list produced and sold by Sanden corporation, Japan.

The company has clarified

- a) The current production capacities are based on two shifts basis.
- b) The actual output of compressors was as under:

Year 2005-06	84,330 units
Year 2006-07	163,090 units
Year 2007-08	233,142 units

- c) Old type of compressors will continue to be produced for existing applications whereas the new technology compressor is for additional business for the upcoming cars. They also intend to export these compressors to Europe.
- d) This technology has been successfully tested and used in Japan and Europe. This is now being introduced in India for the first time as per customer's requirement.
- e) Yes, the technology is meant only for car air-conditioners.
- f) All these items are being manufactured as per design of Sanden Corporation who shall be responsible for the installation and commissioning of the plant here in India.

The company has submitted all the necessary supporting documents.

The committee may reconsider the application in the light of clarifications received.



Agenda Item No. 3 Reconsideration of the application of **M/s Asahi India Glass Ltd.**, Latherdeva Hoon, Roorkee for duty exemption for import of one PU Foam glass encapsulation plant (capsotech system).

Asahi India Glass Ltd., a joint venture between Asahi Glass company of Japan, Labroo family of India and Maruti Udyog India Ltd., and public, are the largest manufacturer of Automotive safety glass and other type of glasses in India.

Recently they have received orders from Tata Motors to manufacture Slider glass for microbuses. Slider glass is a small glass window sliding over a large glass pane to provide ventilation if needed. The smaller glass pane is coated on the edges with **microporous PU**

foam coating which enables the smaller glass pane to slide easily over rails fixed on the larger glass pane.

To manufacture this PU encapsulated slider glass with microporous PU coating on the edges Asahi India is importing one PU foam glass encapsulation plant from M/s Technos S.p.a. Italy. Details of the machine being imported are given in the Table below.

Table

Sl. No	Description of the Equipment	Qty	P.O. NO.	Supplier	Value in USD	Value in INR
1	Capsotec System – PU Foam Glass Encapsulation Plant using CFC Free Technology	1	1901 dated 15-03-2008	Tecnos S.p.A. Italy	6,30,400/-	2,55,31,200/-
Total value in INR						2.55 Crore
Duty payable @ 7.5% approx.						19.15 lakh

The total cost of the system is approx. 2.55 crores and duty payable @ 7.5% approx. on it would be 19.15 lakhs.

The proposed capacity of the PU encapsulated tempered safety glass for Automotive application projected for this plant is 1,40,000 pieces per annum.

The total cost of the project including plant, machinery and infrastructure is approx. Rs. 40 Crores and it will be funded through internal accruals.

This application was discussed in the TFSC meeting held on 21st July, 2008. The committee noted that there is need for manufacture of slider glasses in the country otherwise these will be imported by Tata motors but needed some more clarification. These are

- (a) Whether Asahi India Glass Company will be manufacturing these slider glasses only for indigenous use or also for export.
- (b) Does the planned production of the company match with the capacity of utilization by Tata Motors for whom this product is being manufactured.
- (c) The company should give their projection for production and consumption of slider glasses for the next 2 years.

M/s Asahi India Glass Limited has given the following clarifications:

- (a) Asahi India Glass Ltd., will be manufacturing and supplying these slider glasses only to Tata Motors Ltd. TATA Motors Ltd., are having plans for exporting the vehicle unit for which this slider glass will be a part. As this glass production technology is being introduced in India for the very first time it is quite possible that Asahi India Glass Ltd., might export directly to some European nations sometimes in the future. But, primarily it is to meet indigenous demand.
- (b) Yes, the planned production of Asahi India Glass Ltd., matches with that of TATA Motor Ltd. The annualized demand from Tata Motors Limited is less than our installed capacity. Asahi India will be able to meet demand of Tata Motors Limited completely.
- (c) Demand projects (Consumption) of Tata Motors Ltd, has been mentioned below:
 - Financial year 2009-2010 demand is 5,000 sets/annum commencing from December 2008
 - Financial year 2010-2011 – Demand is 10,000 sets/annum
 - Financial year 2011-2012 – Demand is 20,000 sets/annum
 - Financial year 2012-2013 – Demand is 25,000 sets/annum
 - Financial year 2013-2014 – Demand is 30,000 sets/annum

The company has submitted all the supporting documents.

The committee may reconsider the application in the light of the clarifications received.

