

Agenda Item No. 1: The application for duty exemption for import of Machinery by **M/s Tecumseh Products India Pvt. Ltd.**, for their continued expansion programme.

M/s Tecumseh Production India Pvt. Ltd., located in Ballabgarh, Haryana, is the largest manufacturer of R-134a compressors for domestic and commercial refrigerators and Air-conditioners. They set up their plant in 1998-99 and received duty exemption assistance under this fiscal incentive scheme for import of machinery needed for this plant. With this assistance they were the first company in India to produce non-ODS HFC-134a compressors which helped other refrigerator manufacturers to come up with CFC-free appliances. Their current capacity, achieved in stages, is 4.3 million compressors. After the current plan of expansion the capacity will be 5.6 million compressors per year.

The company has received duty exemption assistance 11 times earlier. This is the 12th application.

The current expansion scheme is in anticipation of increase demand both for domestic and commercial refrigerators in the country for which larger number of compressors will be needed in future. While considering their earlier application the committee had asked the company to submit a list of equipment which may be needed in future to execute the expansion programme. The equipment being imported now is from that list a per their plan for the year 2009-10. The details of the equipment now being imported are given below:

Table

Sl. No	Equipment Name	Qty	P.O. No & Date	Cost in EUR	Cost in INR
1	Core Loss Tester	1 Nos	5022139 dated 15-12-08	25,000/-	16,50,000/-
Total cost					(Appox) 16.5 Lacs
Appox. Duty @ 7.5%					1.2 Lacs

The total cost of the core loss tester now being imported is approx. Rs. 16.5 lacs and duty payable on it is Rs. 1.2 lacs @ 7.5%.

The company has submitted the supporting documents with earlier project.

The purchase order properly notarized has also been submitted.

The application is for the consideration of the Committee.

Agenda Item No. 2

The application of **M/s Daikin Air conditioning India Pvt. Ltd., Gurgaon, Haryana** for duty exemption for import of plant and machinery needed for setting up new capacity for manufacture of all types of Air conditioners and large capacity chillers with non-ODS technology.

M/s Daikin Air conditioning India Pvt. Ltd., earlier known as Daikin Shriram Air Conditioning Pvt. Ltd., is a 100% subsidiary of Daikin Industries Ltd., Japan from April, 2000.

M/s Daikin Industries, Japan is a world leader in the refrigeration and Air conditioning business. They have 60 manufacturing facilities in Japan backed by research and training facilities. At present they have 47% of the market share of packaged Air Conditioners and 40% of market share of applied chillers.

Currently window type Air-conditioners in India use HCFC-22 as the refrigerant. It is an ODS with low ODP. Recently the Government of India has taken a decision for accelerated phase out of HCFCs. M/s Daikin Air Conditioning India Pvt. Ltd., has taken this opportunity to be the first company in India to start manufacturing Air Conditioners and chillers with non-ODS technology.

They have now decided to set up a large plant for manufacturing most advanced and efficient type VRV air conditioners using HFC-410a as the non-ODS refrigerant and large capacity chillers using HFC-134a for central air conditioning systems.

This large plant is coming up at Nimrama (Dist. Alwar) in Rajasthan. For this project M/s DA IPL is importing plants and machinery shown in the table (next page) and have requested duty exemption as the manufactured products (A.Cs and chillers) will be using totally non-ODS technology.

Table

Sl. No	Equipment Name	Qty (Nos.)	P.O. No & Date	Cost in Yen	Cost in INR
1	Heat Exchanger Manufacturing Section (Annex. A)	8	7500000007, 08, 09, 14 03.03.2009 & 12.03.2009	11,57,34,000/-	6,08,18,217/-
2	VRV Air conditioning Systems Manufacturing Section (Annex. B)	21	7500000008, 09, 15, 16, 17, 18, 19 03.03.2009, 12.03.2009, 16.03.2009 & 26.03.2009	11,41,05,000/-	5,99,62,178/-
3	Inspection Equipment (Annex. C)	6	7500000009 03.03.2009	2,01,09,000/-	1,05,67,280/-
4	Sheet Metal & Painting Equipment (Annex. D)	2	7500000010, 22 04.03.2009 & 02.04.2009	14,63,39,500/-	7,69,01,407/-
5	Material Movement (Annex. E)	3	7500000013, 21 12.03.2009 & 01.04.2009	59,60,000/-	31,31,980/-
Total cost				40,22,47,500/-	21,13,81,061/-
Appox. Duty @ 7.5%					15.9 Crores

The cost of the machines being imported is appox. Rs. 211.4 crores and duty payable on it @ 7.5% is approx. Rs. 15.9 crores.

The total cost of the project is approx. Rs. 200 crores and it will be met by internal accruals.

In the first instance the capacity planned for the factory is 20,000 VRV air conditioners and 1800 chillers per annum.

It may be mentioned that this is the first application from M/s Daikin Air conditioning India Pvt. Ltd., and the company has submitted all the supporting documents.

The committee may consider the application.

