

Minutes of the Technology and Finance Standing Committee (TFSC) Meeting held on Wednesday 26th August, 2009 at 11.00 A.M in Conference Room, CDC, Core 4 B, 2nd Floor, India Habitat Centre, Lodhi Road, new Delhi -110003.

List of participants is annexed (Annexure) - I.

The Minutes of the TFSC meeting held on 8th June, 2009 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 apprised the actions taken by the Ozone Cell on recommendations made by the TFSC in its meeting held on 8th June, 2009.

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

- 1 M/s. Daikin Air conditioning India Pvt. Ltd., Gurgaon, Haryana.
- 2 M/s. Tecumseh producers India Pvt. Ltd., Ballabgarh, Haryana.

Ex-post facto approval of the ESC will be taken in its next meeting. The Committee took note of the above.

Dr. Duraisamy, Director (O) welcomed Mr. K. Madhava Sarma, the new Chairman of the reconstituted TFSC and requested him to start the proceedings. The meeting then recalled the distinguished tenure of Dr. S. Varadarajan, past Chairman of the TFSC and decided that Dr. Duraisamy will communicate the appreciation of the Committee to Dr. Varadarajan through a letter.

Mr. Sarma mentioned that time has come to review the fiscal incentives scheme so as to suit the present priorities of phasing out HCFCs since the CFCs would have been phased out by all countries by 1 January 2010. The committee requested to take this up within the Government and decide soon in consultation with the stakeholders.

The committee then considered the following Agenda items:

- Agenda item No 1: The application of **M/s. Global Autotech Ltd., Greater Noida (U.P)** for duty exemption for import of one Squeeze Casting machine (UBE HVSC 800 PL) from Japan for expansion of capacity and indigenization of manufacture of Aluminium Die Casting parts used in AC compressors and compressor mounting brackets for MACs suitable for non-ODS technology.

M/s. **Global Autotech** is a private limited company closely associated with M/s. **Subros Ltd.**, the largest manufacturer of MACs in the country. The company is engaged in the manufacture of parts and components of MACs which at present are totally supplied to M/s. **Subros Ltd.**

As a part of their expansion scheme M/s. Global Autotech has proposed to import one vertical squeeze casting machine, UBE HVSC 800 PL (Pitless type) from M/s. UBE machinery corporation ltd., Japan for which they have requested for duty exemption. The details of the machine are given in the Table below:

Table

S No	Area	Machine / Equipment Req'd.	Qty	POILOI Date	No.	Supplier Source	FOB/IF Value	Total Landed cost INR (lacs)
1	Die Casting	One set of UBE HVSC 800 PL (Pitless type) Squeez Casting Machine and accessories thereof.	1	GALIPDC/IM P/142	Dated 18.7.08	UBE Corporation Japan	JPY 7,025,000	351.001-
Total Price								351.001-
Duty Payable approx. @ 7.5%								26.25 lacs

The total cost of machinery is Rs. 351 lacs and duty on it @ 7.5% would be approx. 26.25 lacs and the cost will be met by internal accruals.

The Committee observed that the machinery which the company is importing has been ordered quite some time back and goods have already arrived and is needed for the expansion of production capacity and recommended the application. The Committee also desired that the company should actively consider introduction of low-Global Warming Potential (GWP) alternatives.

Agenda Item no. 2: The application of **M/s. Venus Home appliances Pvt. Ltd.**, Pudukottai, Tuticorin (T.N.) for duty exemption for import of one Canon AP30 Foaming machine from Italy.

M/s. Venus Home Appliances Pvt. Ltd., earlier known as Standard Home Appliances, started manufacturing storage water heaters (Geysers) in 1958 near Tuticorin. For manufacturing these geysers, they use attractive ABS plastic in multi-colour for the outer body and inner tank of copper sheet insulated with PUF and for foam insulation they are using HCFC-141 b. After successful usage for more than eight years with increased production this machine started malfunctioning, damaged and condemned due an accident.

The company is now modernizing the plant and is importing a new foaming machine, Cannon AP-30, and have requested for duty exemption assistance. The company will be funding the cost of the machine and other expenses from internal accruals. The details of the machine being imported are given in the Table below:

TABLE

S. No.	Description	Qty	Purchase	Source	Price in Euro	Price in INR
1.	Canon AP-30 Including Tank Group Metering Group Pouring Group Control house Canon OVS Magnetic Coupling	1	VHAI17/08-09 PUF Section 15.04.2009	M/s. Afros S.P.A via Galitio Feraris 65 1-21042 Cronna Pertusella (Va) Italy	41,7001-	28,34,349/-
Total Price Rs. 28,34,349/- Duty payable @ 7.5% Rs. 2,12,576/-						

The cost of the machine imported is Rs. 28,34,349/- and duty payable on it @ 7.5% would be approx. Rs. 2,12,576 lakhs.

It has been noted by the Committee that the machine has been ordered as a part of modernization process of the plant. The Committee desired that the company may be informed about the accelerated phase-out of HCFCs by the Montreal Protocol and consider introducing non-HCFC alternative foam blowing agents in their works.

The Committee has recommended the application of M/s. Venus Home appliances Pvt. Ltd., Pudukottai, Tuticorin (T.N.).

Agenda Item No. 3 : Applications of M/s. **Sanden Vikas (India) Ltd.**, Faridabad for duty exemption for import of **three sets of machineries needed** for indigenization of some parts of variable compressors for MACs and **one mould and mould cases** for augmentation of production of plastic parts for manufacture of HVAC and cooling units MACs.

M/s. Sanden Vikas India Limited is one of the large manufacturers of Mobile Air Conditioners (MACs) in India. They have gradually increased their production capacity. Their current production is 600,000 compressors including some highly efficient, energy saving variable compressors.

So far, they have been making these variable compressors from imported components and assembling in their factory. Now, they intend to start the manufacture of these components in a gradual manner. To begin with, they have decided to manufacture the main shaft of these compressors. The details of machines to be imported are given in the Table below :

TABLE

S. No.	Description of Equipment	Qty/ Unit	Purchase Order No. / Supplier	Price	INR
1.	INJ MOULD JOINT AIR INLET YR-9	1 No.	SVL/IMP/97 OF 16.01.2009 ECOL Industrial Co. Ltd., Taiwan	USD 33,000	1,650,000
2.	INJ MOULD CASE 'A'	1 No.	SVL/IMP/98	USD 47,000	2,303,000
	INJ MOULD CASE 'B'	1 No.	TCA Plastics Corp., Tiawan		
	INJ MOULD CASE 'C'	1 No.			
	INJ MOULD CASE 'D'	1 No.			
3.	TSUGAMI CNC PRECISION AUTOMATIC LATHE - MODEL B0205 WITH STANDARD AND OPTIONAL ACCESSORIES	1 Set	SVL/IMP/211 Tsugami Corporation, Japan	Yen 8,500,000	4,250,000
4.	THREAD ROLING MACHINE MS1 INCLUDING 400 MM CNC TAILSTOCK	1 Set	SVL/IMP/210 ORT Italia SpA, Italy	Euro 93,000	6,324,000
5.	FLEXIBLE CANTILEVER CENTERLESS GRINDER MODEL MPC-600C (MICRON MAKE)	1 Set	SVL/IMP/214 Micron Machinery Co. Ltd., Japan	Yen 47,000,000	23,500,000
				Total	34,074,000
				Approx Duty @ 7.5%	25,55,550

The total cost of these equipment is Rs. 34,074,000/- and duty payable on its @ 7.5% will be Rs. 25,55,000/-.

The Committee desired that the company be made aware of the high global warming potential of HFC-134a and should actively consider introduction of low-Global Warming Potential (GWP) alternatives. The Committee recommended for approval of the application of M/s. Sanden Vikas (India) Limited, Faridabad.

Supplementary Agenda Item No.1. The application of M/s. **DLF Utilities Private Limited**, Gurgaon for duty exemption for import of **Comfort air conditioning systems based on vapour absorption chillers** to be installed at building No. 5 of **DLF Cyber City**

M/s. DLF Utilities private Limited, caters to the electricity and air conditioning requirements of various projects and buildings constructed by the DLF group. They wish to install a comfort cooling system in one of the large buildings (Building 5) constructed by DLF in cyber city Gurgaon utilizing waste heat available from their power generating gas engines and gas turbines by installing vapour absorption systems based on Lithium bromide - water combinations in which water is used as a refrigerant.

The machines are being imported form M/s. BROAD Air conditioning Co. China. The details of the Machinery are given below :

Sl. No.	Particulars	Qty.	Amount
1.	1100 TR Capacity (Model No. BZHE33 IX-BD-VAMs) consisting of :		
	• 1100 BR Capacity VAM- Cooling Heating - Model No. BZHE33X-BD-463-d-400	3	\$ 13,87,800
	• 1100BR Capacity VAM-Cooling only Type Model No. BZHE333X-BD-463-d- 400	2	\$8,84,000
	• 3300TR Capacity VAMs (Model No. BE904x-504-d-1000)	4	\$32,00,000

Total Cost \$54,71,800

The Purchase is being made through M/s. DLF Green Power Private Limited, New Delhi, under High Seas Sales Agreement. The machines will be installed in Building 5 of DLF Limited at Gurgaon. The three parties are involved in this Purchase and use.

The Committee was informed that similar request was received from M/s. DLF Utilities Limited, on 5-6-2008 for import of 9 VAMS for installation in building 10 of DLF Cyber City at Gurgaon and the proposal was considered by the TFSC in its meeting held on 21-7-2008. The Committee had decided that "the application does not merit approval as the Empowered Steering Committee for implementation of Montreal Protocol had decided in its meeting held on 24-3-2000, that the benefit, of duty exemption Scheme will

be available **only for manufacturers** and not for traders and consumers". The committee observed that M/s. DLF Utilities is not a manufacturer and the imported VAMs will be used only for comfort Cooling. The Committee noted that the application received now is similar to the application considered earlier.

In view of above, the Committee did not recommend the proposal of M/s. DLF Utilities Pvt. Ltd. as the equipments to be imported are not for original manufacturers.

The meeting ended with vote of thanks to the Chair.

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